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31 March 1986

SOUTHEAST ASIA REPORT

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AUSTRALIA

PAPER VIEWS OPPOSITION TO, SUPPORT OF NATIONAL ID

Sydney THE SYDNEY MORNING HERALD in English 17 Feb 86 p 12

[Editorial: "The Great ID Card Debate"]

[Text] THE AUSTRALIAN Council for Civil Liberties and the Australian Federal Police journal don't often agree, but they have the same view on the issue of the ID card. They are opposed to it. So too is Justice Michael Kirby, who believes that the card will threaten privacy "to a greater extent even than phone-tapping". Mr Frank Costigan is another opponent of the card likening it to "using a jackhammer to crack a nut". The Real Estate Institute of NSW, the Department of Industry, Technology and Commerce, a Liberal Party frontbencher, Mr Peter Shack, and a number of left-wing ALP members are all opposed. Such a diverse and influential group of people and organisations, surely, cannot be wrong. Well, probably they are.

There is no avoiding the fact that the ID card will give bureaucrats access to an extensive amount of private information. Moreover, a great deal of this information could be embarrassing if used in the wrong way. The NSW Privacy Committee, for instance, has calculated that more than 73,000 Commonwealth public servants will have access to the

card information register. It also points out that AIDS patients could be identified from information on their card. Dr Blewett has promised a Data Protection Agency, based on a system that has been in operation in Sweden since the War. The case for the cards is immeasurably strengthened if Dr Blewett can demonstrate that the DPA will be vigilant and effective in protecting the information that is placed on the ID card.

Most of this information, anyway, is on Commonwealth data banks already. The Electoral Commission, for example, has 10 million names and addresses. The Department of Social Security has 9.3 million names, including the names of 4 million children. The major effect of the ID card will be to put the total Commonwealth bank of 50 million names, together with a large amount of information held by private corporations, into one huge data bank. As Professor Colin Howard of Melbourne University points out: "The idea that in some sense we can preserve some sort of privacy by not having ID cards seems to be somewhat of an illusion."

In its long, well-documented submission to the joint parliamentary committee, the Hawke Government gave the estimate that over the next 10 years the proposed ID card with a photograph could save \$4,000 million in lost revenue. Dr Blewett seems, unfortunately, to have backed away from a photograph. The expected savings will therefore be diminished. But they will still remain substantial (about \$3,100 million in the first decade). The social and economic benefits that should flow from making the tax evaders, the welfare cheats and the exponents of the black economy pay is the strongest argument in favour of the ID card.

In the best of all worlds, a widely-based consumption tax would have been the best answer to breaking the black economy. This tax, however, is politically unacceptable, partly through the efforts of some of those groups who now oppose the ID card. What we have, in fact, with the card is a trade-off. Some individual privacy rights may well disappear but the reward for the community will be that tax cheating will be greatly reduced. The public acceptance of the ID card is on this very basis. However, if the promised benefits prove to be non-existent, then the basic reason for the ID card's continuation disappears.

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AUSTRALIA

LIBERAL PARTY AIMS TO RECRUIT MILITANTS

Sydney THE SYDNEY MORNING HERALD in English 27 Feb 86 p 5

[Article by Mike Steketee]

[Text]

CANBERRA: The Liberal Party will encourage farming and other pressure groups to nominate candidates for Liberal selection for parliamentary seats in an effort to broaden its support.

A meeting of Federal and State Liberal presidents in Melbourne yesterday decided that efforts should be made to bring militant organisations such as the National Farmers' Federation within the party framework.

One means would be to suggest that their members contest Liberal preselections.

One senior Liberal said last night that the party should be actively encouraging "some of these more militant organisations" to put candidates forward.

"We should really be going out to try to recruit candidates rather than passively sitting back hoping a good field of people will nominate," he said.

The meeting, called by the Federal president, Mr John Valder, also discussed a major drive between now and the next selection to try to win marginal rural and semi-rural seats from the ALP. The Opposition Leader, Mr Howard, is planning a series of visits to regional centres.

The Liberals say signs of a rural backlash provide them with major opportunities in the next election because five of the nine seats the coalition needs to win are country seats. However, some of these

seats are on the fringes of capital cities and have a relatively small rural component.

Aggressive Liberal campaigning in some of these seats could cause friction with the National Party, particularly with the introduction of optional preferential voting, which reduces the likelihood of a tight exchange of preferences between the Liberals and the Nationals.

Yesterday's meeting also discussed choosing Liberal candidates by plebiscite. This would mean any member of a local branch would be able to vote for a candidate for a seat in his or her area.

Mr Howard attended part of yesterday's meeting and canvassed views on the shape of the party's policies. The State presidents urged him to end the uncertainty over key policies such as industrial relations by announcing them as soon as possible. Current plans are for the industrial relations policy to be announced before the middle of the year.

The Liberals were heartened yesterday by the Morgan Gallup poll in *The Bulletin* which showed Liberal support growing by 4 per cent to 46 per cent, with Labor's rating dropping 2 per cent to 48 per cent.

But Mr Howard's approval rating also fell — from 34 per cent to 32 per cent.

AUSTRALIA

ALP LOSES VOTES IN RURAL SECTOR

Sydney THE SYDNEY MORNING HERALD in English 10 Feb 86 p 1

[Article by Mike Steketee, Political Correspondent: "Labor Loses Votes in Country"]

[Text]

CANBERRA: The Federal Government is expected to take steps soon to ease cost pressures on farmers, following signs of a loss of support for Labor in country areas.

The results in the State elections in Western Australia and Tasmania suggest that issues such as high interest rates and fuel costs are biting hard in the bush.

The Hawke Government holds a string of seats in country areas by small margins, making it vulnerable to a change in rural sentiment. The real danger for the Government is that the traditionally anti-Labor farm vote spreads to provincial areas, many of which it holds.

Cabinet is due to consider in the next few weeks how to respond to the fall in world oil prices and it will look closely at giving farmers special consideration on fuel costs, a major farm input.

One possibility is passing on the full drop in world oil prices to farmers and, as a means of protecting its revenue, allowing a smaller reduction for the rest of the community.

The Primary Industry Minister, Mr Kerin, will present a submission to Cabinet in the next few weeks on ways of addressing the rural crisis.

The Prime Minister, Mr Hawke, made clear yesterday that, after a visit to farmers in the Cowra and Moree areas last week, he was sympathetic to measures to reduce cost pressures for farmers.

"You have got the tragedy of very, very efficient Australian rural producers suffering now basically as a result of the corruption of international markets, which has ruined the price situation for them," he said.

"That means that they concentrate even more particularly on their internal cost structure. We have got to see what we can do to help them in that area."

The two State elections on Saturday, together with the by-election in the Federal seat of Scullin in Victoria, provided mixed results overall but clear signs of a problem for Labor in the country.

The main interest in the results has been what they mean for the embattled Federal Opposition Leader, Mr Howard.

The swing of about 5 per cent against Labor in Scullin, the safest Labor seat in Australia, is not large enough to give him the major fillip he so badly needs on the eve of the resumption of Parliament.

But it is a respectable result for Mr Howard's first by-election. It is close to the average swing for all Federal by-elections and better for the Liberals than other by-elections held since the Hawke Government came to office.

The interpretation is complicated by the halving in the informal vote recorded in Scullin in the 1984 general election, a factor favouring the ALP and the donkey vote, a slightly lower voter

turnout than the 1984 election, brawling over Labor pre-selection for the seat and the fact that there was no chance of the seat changing hands. All these factors should have favoured the Liberals.

Mr Howard can claim little comfort from the result in Tasmania, which in the past has favoured Labor Governments at the State level and which now has the only Liberal Government in the country.

At the request of the State Liberals, the Opposition Leader stayed away from the State during the campaign.

In Western Australia, the return of the Labor Government puts paid to any immediate prospects of a resurgent Liberal Party.

But the swing against Labor outside the cities in Western Australia and Tasmania, although attributable to a number of factors, offers hope for Mr Howard.

According to an ABC computer analysis, the Liberal vote was up 1.4 per cent throughout Western Australia, although it fell in the city, whereas the National Party increased its vote by 3.5 per cent.

The defeated West Australian Opposition Leader, Mr Hassell, blamed "high profile differences" among Federal Liberals as contributing to his problems.

But the victorious Premier, Mr Burke, also had a message for Canberra. Of the WA rural community, he said: "I suppose they have told me to attack the Federal Government more thoroughly."

Mr Howard said voters in Scullin had kicked the Hawke Government in the shins over high interest rates and taxes.

Mr Hawke responded that his shins were in the very best of shape and declared Saturday's outstanding loser to be Mr Howard.

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AUSTRALIA

HAWKE KEEPS OPTIONS IN DEFICIT PLEDGE

Sydney THE SYDNEY MORNING HERALD in English 20 Feb 86 p 1

[Article by Steve Burrell]

[Text] CANBERRA: The Prime Minister refused yesterday to commit the Government to a cut in the Budget deficit next financial year, despite an earlier promise to do so.

Mr Hawke said he did not expect the deficit would rise above this year's projected figure of \$4.9 billion, but that if it did it would not breach the economic trilogy.

He also held out little hope of an early reduction in interest rates, saying that monetary policy would remain tight "for as long as is necessary".

The signs that the Government is keeping its options open on a reduction in the deficit, in the face of falling oil revenues and resistance by ministers to spending cuts, are likely to unsettle financial markets.

Financial markets are looking to a lower Budget figure for 1986-87 as an indication of the Government's commitment to responsible economic policy, and may push the dollar down and interest rates up if it rises.

The Treasurer, Mr Keating, when introducing the Government's tax reform package last September, promised that the huge tax cuts involved would not be funded by an increase in the deficit over the next two Budgets.

This commitment to lower deficits in money terms was more exacting than the Government's original trilogy promise — that the deficit would "be reduced as a proportion of gross domestic

product over the life of the Parliament".

This means the Budget shortfall could rise in money terms and still meet the trilogy requirements.

Mr Hawke told a news conference yesterday that while the Government would honour its trilogy commitment, this did not necessarily mean a drop in the deficit.

"It is possible that as well as meeting the trilogy ... that there may be a reduction in the money deficit," he said.

"I don't expect an increase in the deficit, but if there is it would not be inconsistent with the trilogy."

While refusing to place a figure on the extent of spending cuts, Mr Hawke indicated that the whole range of Government programs would be examined in an attempt to reduce expenditure, including the promise made in the last Budget of a 2 per cent rise in real terms in financial assistance to the States.

But he ruled out any reintroduction of tertiary education fees as part of the cost-cutting exercise.

He rejected suggestions that high interest rates were damaging the Government.

"The people of Australia understand that interest rates are not to be looked at simplistically but as part of a total economic strategy," he said.

But the Minister for Industry, Technology and Commerce, Senator Button, conceded in the Senate yesterday that high rates

were the main problem facing the rural sector.

Mr Keating yesterday accused Westpac of putting profit before people following its decision to push personal finance rates to record levels.

He accused the bank of hiding its desire to increase its profits behind criticism of Government economic policy.

"The rate increases have nothing to do with the Federal

Government," Mr Keating said.

"They are Westpac management's own decision to maintain their deposit base, to lift their profit and to diminish their interest in Bankcard.

"The Government has not tightened monetary policy any further.

"If you're paying a higher rate, if there's any kick in the pants for anyone, give it to the management of Westpac."

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AUSTRALIA

JOURNAL URGES RURAL PARTY SWITCH

North Richmond THE LAND in English 20 Feb 86 p 8

[Editorial: "Politics Must Back Protests"]

[Text]

THE TIME has come for farmers to change their attitude to political party support.

It's time, for two reasons. Firstly, because it is becoming increasingly apparent that reforms of the scale being sought by farmers and small businessmen will not be wrung from government unless pressure can be brought to bear from ALL quarters.

Secondly, because it seems the party best equipped to support disaffected country people in their reform push — the National Party — is responding to recent criticisms and becoming a more vigorous and credible fighting force.

The National Party has already paid dearly for losing sight of its reason for being: for deserting its true country roots.

Indeed, ever since the current militant protest movement got under way, it has been thought best by most farm leaders to shun all political party allegiance — a view with which this newspaper largely concurred.

It was reasoned that by aligning itself with a conservative party, the farm action lobby would merely be compromising its chances of winning a better deal from a well entrenched Labor Government.

But anyone who has followed the recent responses to the farm protest movement by such Cabinet-room "heavies" as Treasurer Keating or Finance Minister Walsh would be aware that farmers are still at first base in trying to win any real sympathy from a Labor Government.

Sure, they might extract a concession or two, such as a lowering of fuel prices or some interest relief scheme (as indeed they must), but the longer-term reforms that hold the real solution to present problems would appear to be as far away as ever, because they cut across basic Labor Party ideology.

The only way that these reforms will be put in train will be by a change of government, or by the present government coming under enough pressure — in the Parliament as well as outside it — that it can no longer afford to "fiddle while Australia burns".

Against this scenario, it is madness for farmers to continue trying to set the world to rights on their own.

By denying conservative party leaders the opportunity even to address them — as we saw at the Canberra rally last week — farmers have surely lost sight of democratic realities.

Without the support of their political allies in the Parliament, farmers are fighting with one hand tied behind their backs.

All this is not to deny that the Opposition parties have had their problems. Indeed, their seemingly endless preoccupation with internal wrangling has given the Hawke Government a dream run during a period when a really well-honed Opposition could have made its life sheer hell.

But as far as the Nationals are concerned, it appears that at last the messages of constituent dissatisfaction have been getting through, and that the party is getting down to the serious job of formulating alternative policies — policies for the specific benefit of country people.

Some reformists, among them Mrs Katharine West, have been promoting the idea of floating a new party altogether to represent farmers and small businessmen. But such a move would only fragment the conservative vote and strengthen the Labor Party's grip on government.

It surely makes more sense to whip the existing conservative parties into the desired shape than to start from scratch with a whole new political movement.

Even if a major upheaval is required, leaders can always be changed, policies modified and new candidates pre-selected. Far better this than to send a party to Coventry and deny the farm sector the parliamentary clout it so desperately needs.

Recent polls conducted by the city press confirm that the National Party still enjoys overwhelming electoral support in the bush. It is now up to farmers to forge closer links with the party and ensure that it represents them in the manner desired.

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AUSTRALIA

ANGRY FARMERS DEMONSTRATE IN CANBERRA, REJECT OPPOSITION AID

Sydney THE SYDNEY MORNING HERALD in English 15 Feb 86 p 3

[Article by Greg Roberts: "Farmers Take on Might of Canberra"]

[Text]

CANBERRA: Hundreds of angry farmers surged towards the steps of Parliament House in Canberra yesterday after the Prime Minister refused to talk to them.

As tempers flared and farmers shouted abuse, one of the organisers of the protest, Mr Peter Ryan, warned that ugly scenes could develop unless they dispersed. He was ignored by some who continued chanting "We want Hawke" as scores of police blocked their entry to the House.

Inside, farmers in the public gallery booed the Minister for Finance, Senator Walsh, when he told the Senate that the rally did not have the support of the National Farmers' Federation.

Further catcalls from the farmers prompted the President of the Senate, Senator McClelland, to threaten their removal.

Farmers made their presence felt in Canberra yesterday. Scores packed the Canberra Magistrates' Court early in the day when Mr Frank Daniel appeared on charges connected with the dumping of tonnes of wheat outside Parliament House last month.

The Magistrate, Mr John Dainer, discharged him without recording a conviction. Mr Dainer told the court that "being arrested, photographed and fingerprinted" was probably sufficient punishment.

Farming leaders then visited each of the main trading banks, leaving messages protesting about "intolerable" interest rates.

An estimated 8,000 farmers blocked Canberra streets as they marched along Commonwealth Avenue to Parliament House, complete with horse-drawn buggies, trucks supporting colourful floats and an amiable-looking dairy cow.

The farmers presented a wreath - "In memory of Agriculture" - to House attendants, and placed bags of produce on the steps.

Police were startled when a semi-trailer stopped outside and tipped its trailer, only to drop a handful of wheat before moving on. Later, Mr Daniel arrived to a hero's welcome in his vehicle to tip "an empty load". The trailer carried the sign: "This is what the Government has done for us - nothing."

Mr Hawke, the Treasurer, Mr Keating, and the Minister for Primary Industry, Mr Kerin, declined to address the gathering.

However, the Leader of the Opposition, Mr Howard, and the Leader of the National Party, Mr Sinclair, stood in the sun for more than 30 minutes waiting in vain for an invitation to speak.

"It's nice to see them here but they won't be asked up," one of the leaders of the protest, Mrs Edwina Mitchell, said. "We don't align ourselves with them and we have to work with the political party of the day."

All the main political parties were criticised by speakers. The editor of the *National Farmer* magazine, Mr Julian Cribb, said

that the ALP, National and Liberal Parties had "deliberately connived" to destroy the farming sector.

A spokesman for the Canowindra Rural Reform Committee, Mr Brian Locke, bitterly attacked the National Farmers' Federation, accusing its president, Mr Ian McLachlan, of ignoring grass-roots feeling in favour of "complete and utter rubbish" from the NFF's "highly paid executives".

Mr Locke said that farmers would begin blockading wheat exports next month by placing trucks and machinery across railway lines, unless progress was made on key demands.

The crowd gave a standing ovation to an impassioned speech from a farmer's wife, Mrs Katrina

Bloomfield, who said that farmers were asking for nothing more than an income to retain a reasonable standard of living.

"Why should we live below the poverty line and our status be reduced to that of peasants, when we earn 40 per cent of Australia's export earnings and we have large amounts of capital invested in this country," she said.

"Mr Hawke, it is very stressful, worrying about whether you can afford to pay the fuel bill just for taking your children to and from the bus stop, especially when we know that you take half of it."

Mr Kerin told Parliament after the rally that 90 per cent of the distress in the farming sector was due to "corrupted" world markets.

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AUSTRALIA

REACTION DIVIDED ON FARM PLAN TO HALT WHEAT EXPORTS

North Richmond THE LAND in English 20 Feb 86 p 3

[Text]

A PLAN to halt wheat exports which received support at a farm rally in Canberra last Friday was attacked this week by rural industry leaders as "ridiculous" and "absurd".

One of the rally organisers, Mr Brian Locke of the Canowindra Rural reform Committee, told the 10,000 farmers and country business people who gathered in Canberra for the protest, that wheat exports should be stopped if the Federal Government did not properly tackle the rural crisis.

Mr Locke said the Government should have until mid-March to respond to rural demands before farmers starting disrupting farm trade.

The executive director of the Australian Wheatgrowers Federation, Mr Ian Wearing, said the proposed blockade was "absurd".

This view was shared by both the president of the National Farmers Federation, Mr Ian McLachlan, and the chairman-elect of the Wheat Board, Mr Clinton Condon.

Mr McLachlan said the NFF would never contemplate a blockade of rural exports.

Mr Wearing launched a savage attack on Mr Locke for continually pushing for the wheat blockade.

"Brian Locke would not have a clue what he is talking about," he said. "It is obvious to everyone else apart from him that it (a blockade of wheat exports) would not have the effect he claims it would have."

Mr Wearing said claims that stopping wheat exports would bring the Federal Government to its knees and cause the Australian dollar to drop to 37 US cents were "clearly absurd".

"Everyone else can see that Australian wheatgrowers would be the major sufferers.

"In the current oversupplied markets, any shortfall in Australian output would be picked up immediately by other suppliers and Australia would lose its markets.

"There couldn't be a better way to do damage to Australian growers than something as stupid, unresearched and ill-considered as that," Mr Wearing said.

He said that if trade unions tried to do the same thing, then the people putting forward the plan would be the first to complain.

Mr Wearing said the export blockade plan was dragging down the worthwhile efforts of the Canowindra group.

He said his criticisms did not apply to the committee chairman, Mr Peter Ryan.

The AWF supported the Canowindra committee's recent dumping of wheat outside Parliament House in Canberra, which had been a valuable move in putting more pressure on the Government to get off the back of wheatgrowers.

However, Mr Ryan yesterday said it was "unfair" for Mr Wearing to focus blame on Mr Locke.

He said it was a decision of the whole committee to blockade wheat exports as a last resort.

"It's alright for paid executives," he said. "Any attempt to change our terms of trade is going to affect the standard of living of paid executives and general wage earners," he said.

"We are confident the blockade would achieve what it set out to do," he said.

He said also he was aware of the claim that Australia could lose markets if exports were blocked, but said Australia had some of the best quality wheat in the world.

"Overseas buyers are beating a path to our door to buy it," he said.

AUSTRALIA

NEW ZEALAND FARMERS REAPING GREATER CER BENEFITS

North Richmond THE LAND in English 20 Feb 86 p 5

[Text] AUSTRALIAN farmers have missed opportunities presented under the Closer Economic Relationship (CER) agreement with New Zealand while NZ farmers have taken great advantage.

The Senate Committee looking into the three-year operation of CER found Australian's tended to overlook New Zealand as a potential market but that the reverse was not the case.

It also found Australia ability to penetrate the New Zealand market was often limited by parochialism across the Tasman and the occasional case of definite obstruction.

However, Australia farmer have often mounted cases against the free

trade of goods into the domestic market from New Zealand, notably lamb and beef.

As a measure of Australia's failure to take advantage of CER and penetrate the New Zealand market, the Senate Committee highlighted the trading results of the two countries.

Prior to CER, Australia had an agricultural trade surplus of \$8 million a year but last year this had turned into a deficit of \$95 million.

The figures tend to support claims made by Australian farmers that CER was unfairly weighted in favor of New Zealand and that the local farm sector was sacrificed in favour of improved manufactured good marketing opportunities in NZ.

/12851

CSO: 4200/802

AUSTRALIA

NSW LAMB PRODUCERS RESIST NEW ZEALAND IMPORTS

North Richmond THE LAND in English 20 Feb 86 p 5

[Article by Peter Austin]

[Text] NSW lamb producers have signalled that they will use physical force if necessary to prevent New Zealand lamb from being imported into eastern Australia.

A motion was passed overwhelmingly at a lamb seminar at Cowra last week calling for the establishment of a producer task force that would "take physical action" to block NZ lamb imports at entry points.

And in another well supported motion, the AMLC was asked to use its trading powers to dump Australian lamb on NZ markets in the event of any attempt by NZ to sell into Australia.

The motions reflect the growing concern of NSW producers at the threat of competition from cheap NZ lamb, especially following the termination of the NZ sheepmeat pool system in December last year.

Prior to this move, all NZ lamb exports were handled by the NZ Meat Producers Board, which had entered into a "gentlemen's agreement" with the Australian Meat and Livestock Corporation not to sell its subsidised lamb into Australia.

But with the ending of the Supplementary Minimum Payment (SMP) scheme and the handing over of export control to individual firms, the future of this agreement has been cast into doubt.

The board has undertaken to continue observing the spirit of the agreement by declining requests for export licences to companies seeking to ship lamb to Australia.

But as AMLC chairman, Mr Dick Austen, told the Cowra meeting, any agreement curtailing trans-Tasman trade is now itself contrary to the spirit of the Closer Economic Relations agreement between the two countries.

While pledging the AMLC to a continued policy of resisting NZ lamb imports, he confessed to being "apprehensive" about the situation — especially in view of the present parlous state of the NZ sheepmeat industry.

According to NZ Agricultural Attache in Canberra, Mr Alan Williams, the farm-gate return for a typical export grade 14.2kg (dressed weight) lamb in New Zealand is now only \$A13.09. This time last year, under the SMP scheme, the same lamb was returning \$A21.10.

Mr Williams said because of the poor returns, producers were holding back lambs to put on more weight. As a result, slaughter levels were down 49pc on the same time last year.

The motion calling for physical action to block NZ imports was proposed by Wellington lamb producer, Mr Peter Carter, "Umagarlee".

According to Mr Carter, continued speculation about NZ lamb imports is undermining local price stability, and for that reason needs to be laid to rest.

He said he had heard it from several meat trade sources that "once lambs here go over \$25, we'll import NZ lamb", and this was effectively putting a ceiling on the market — while there was no compensating floor price.

/12851

CSO: 4200/802

AUSTRALIA

BRIEFS

ENVOY OPPOSES SDI FACILITY USE--Australia's ambassador for disarmament, Mr Richard Butler, says the federal government should oppose the use of the American-Australian joint defense facilities at Pine Gap and Murrungar bases in the testing program for President Reagan's so-called Star Wars defense system. Mr Butler told a public meeting at Melbourne's Monash University that Australia has told the Reagan administration it did not endorse the Strategic Defense Initiative. He said he did not know if the American bases would be used in the testing of star wars but it would be consistent with Australia's position if any such moves were opposed. [Text] [Melbourne Overseas Service in English 0130 GMT 13 Mar 86 BK] /6662

CSO: 5200/4316

INDONESIA

FRETILIN THREAT FADING

Port Moresby PAPUA NEW GUINEA POST COURIER in English 7 Mar 86 p 5

[Article by Leigh Mackay]

[Text]

THE AGONY of East Timor following its incorporation by Indonesia 10 years ago could be approaching an end as human rights and living standards improve and armed resistance to Jakarta's rule grows more futile.

Neither officials nor the military was game to predict when the conflict would cease between troops and Fretilin independence guerrillas but observations and interviews with aid and relief groups revealed a young generation of Timorese not traumatised by the 10-year-old conflict like their elders.

With an Indonesian education and such inducements as secure jobs, many youngsters even in rural areas appear to be adapting to Jakarta's rule and looking to a brighter future rather than the bleak past.

"My family don't accept the Indonesians but they're old and have lost friends in the troubles. I speak Indonesian, I have no big complaints, I think I have a good future," said a teenager who helps keep alive East Timor's dance traditions.

Governor Mario Carrascalao thinks that given Jakarta's determination to keep East Timor whatever the cost, Fretilin's increasingly harsh methods and growing international acquiescence to Indonesian rule, the youngsters are beginning to view Fretilin as a lost cause and an obstacle to peace and prosperity. His task has been not just to woo hearts and minds away from Fretilin but to win them for Indonesia and after four years he and even some sceptics note signs of confidence in the future.

"People are now beginning to build permanent houses. Three years ago people were still doubtful whether to build their houses or not," he said.

The provincial capital, Dili, has expanded in three years from a sleepy and sometimes deserted town to a bustling centre with small traffic jams, police on point duty at "rush hour" and a hospital that puts many in Indonesia to shame.

In the central markets at Dili and at Baucau 95 km eastward, the corn, rice and vegetables on sale remain low-quality but no worse than can be seen in villages across Indonesia.

Governor Carrascalao's appointment in 1982 has brought a marked drop in reports of famines and malnutrition, house searches and plunder by troops, execution and torture of Fretilin suspects or soldiers maltreating villagers. These used to be common complaints from church and civilian sources.

But many East Timorese say it will take some time to overcome the suffering of the 10 years since Jakarta's troops took East Timor to prevent a possibly Marxist government or at least a power vacuum in their midst.

It has been agony for many of the 600,000 Timorese. Thousands temporarily or permanently lost their freedom in security crackdowns. The governor says perhaps 100,000 died in the 1975 civil war and later clashes between troops and Fretilin and in

the famines and epidemics in the wake of the conflict.

It has been agony for Indonesia, which has also lost a large but undisclosed number of soldiers, faced hostile media campaigns abroad and been forced to devote years of diplomatic effort to justifying its takeover.

It has been agony for Fretilin.

This once popular leftist student movement which arose when Portugal decided to decolonise East Timor in 1974 might have won the ensuing civil war against its opponents had Jakarta's forces not intervened.

Its guerrillas now survive precariously in the rugged hills of East Timor's eastern sector where they strike at guard posts and army patrols lulled by periods of peace, according to military and civilian informants, some of them once Fretilin sympathisers.

They maintain a clandestine radio link with Darwin but their support in Australia, Portugal and the United Nations is visibly weakening.

Catholic Church sources accuse them of burning homes and killing or injuring villagers and livestock to coerce supplies and information from those who want an end to the conflict or fear army reprisals if they help the guerrillas.

Even the critics don't deny the economic development initiated by Governor Carrascalao, 48. This Portuguese-educated East Timorese abandoned his dream of independence when Jakarta made it clear that self-determination was not compatible with its security needs.

His annual development budget is some K60 million, the largest per head of population for any Indonesian province.

He is using it to end centuries of chronic famine and epidemics, convert wasteful slash-and-burn subsistence farming to settled cultivation and even bartering to cash-crop marketing.

Foreign visitors are snowed with impressive figures.

Rice and livestock production are rising, food stocks are adequate although sometimes difficult to distribute, and the ratio of one doctor per 7,000 people is almost double the national average.

Hundreds of kilometres of nightmarish cratered roads are

being sealed. More than 700 East Timorese are at university elsewhere in Indonesia and Governor Carrascalao wants to lure all graduates back to form the nucleus of a professional, indigenous administration.

Having the trust of armed forces commander General Benny Murdani and senior ministers in Jakarta allows him a free hand in

non-military affairs and he has even put idle army units to work on development projects.

His war on corruption has netted dozens of officials and snared a well-connected army major who was summarily shipped to Jakarta in mid-1984. Officials expect he will soon be charged with skimming off millions of dollars from the East Timor budget.

Delays in releasing development funds and a shortage of skilled labor still leave some 40-50 per cent of the annual development budget unspent.

Malaria remains chronic, "the number one enemy", as the governor put it, reducing productivity to 10 per cent of estimated capacity.

Reports of human rights abuses during security operations or interrogations of Fretilin suspects still reach Jakarta and interested groups abroad, although many are apparently the result of poor military discipline rather than policy.

Although the reports are less serious than in the late 1970s and are often third or fourth hand and difficult to verify, many are plausible enough to be worrying.

Those close to the governor say he has minimised the harassment of villagers by urging army commanders to tighten discipline. Carrascalao himself says complaints of mistreatment from civilians who attend his weekly open house have dropped 90 per cent since 1983.

Well-placed sources agree that the security situation is less rosy than officials admit, but still better than Fretilin spokesmen abroad like to claim. Indonesia undoubtedly controls the greater part of East Timor.

Clashes with Fretilin are less fierce and frequent than in the late 70s, but the guerrillas remain a disruptive force of an estimated 700-1,000 armed men plus families although military men doubt their ammunition is as plentiful as their guns.

Jakarta military sources claim Fretilin killed at least 170 troops,

police and militia last year and wounded many more, a large toll for a conflict that is officially described as insignificant and goes unreported in the Indonesian media.

Officials play down what amounts to an emergency in some districts by explaining away the reluctance of local people to talk ("they are naturally shy," said a military man), the closely-chaperoned visits by outsiders ("for your own safety") and the restricted access to the territory ("to protect its backward people from more competitive newcomers").

The Vatican-appointed apostolic administrator, Monsignor Carlos Belo, who previously gave interviews in which he fiercely criticised army (and Fretilin) "brutality", now restrains himself publicly and declined to talk to journalists in Jakarta last November.

At Governor Carrascalao's initiative a series of trials between December, 1983, and last August in open court cleared the backlog of people detained or charged over alleged Fretilin activities. Some had been held since 1982.

"The only people now in detention without trial for Fretilin connections are those still being investigated, but you'll have to ask the military how many," the governor said. A local military official, resort commander Yunas Yosfiah, could give no figure.

The governor's remarks did not include the Fretilin sympathisers and relatives detained against their will on Atauro Island off Dili "for their own protection". Their numbers have dropped from a peak of 4,500 in 1982 to about 900 as they are returned to their villages or resettled in safe areas.

He sees no immediate end to the conflict, saying a hard-core of 20-30 Fretilin have sworn never to surrender. Observers say many Fretilin face death or long prison sentences if they surrender or are captured and have nothing to lose by staying in the jungle, raising their children as guerrillas.

But since 1982, several hundred guerrillas have taken advantage of the 1977 amnesty and been "rehabilitated". The governor suggested the territory could be opened to more outsiders, even tourists, within "a few years" although he prudently gave no guarantees.

31 March 1986

INDONESIA

IRAQ ASKS FOR 'HELP' TO END WAR WITH IRAN

Jakarta ANTARA NEWS BULLETIN in English 27 Feb 86 p A4

[Text] Jakarta, Feb 27 (ANTARA)--Indonesia has been asked to play a role in a bid to end the protracted Iraq-Iran war.

The request was forwarded by Iraqi Ambassador to Indonesia Zeki Abdul Hamid Al Habba when he paid a courtesy call on Deputy House Speaker M. Kharis Suhud at the Senayan parliamentary building Thursday.

Apart from introducing himself to the parliamentary leader the visit of the Iraqi envoy was also intended to discuss the stepping up of the relation between the two countries.

At the half hour meeting, the Iraqi Ambassador asked Indonesia's assistance to play a role in ending the Iraq-Iran war which has been taking place for a long time.

In response, Kharis Suhud explained that Indonesia has made use of several fora to help settle the protracted war.

He said that through such fora as the United Nations, non bloc movement, the Organization of Islamic Conference or the International Parliamentary Union, Indonesia has always called for the termination of the Iraq-Iran war which was going on for several years.

"This protracted war could damage peace, whereas Indonesia needs peace to conduct its development activities," Kharis Suhud said.

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CSO: 4200/803

INDONESIA

FAR EASTERN ECONOMIC REVIEW CORRESPONDENT LEAVING

HK150950 Hong Kong AFP in English 0909 GMT 15 Mar 86

[Text] Jakarta, 15 Mar (AFP)--The Jakarta correspondent of the Hong Kong-based newsweekly FAR EASTERN ECONOMIC REVIEW (Feer), Lincoln Kaye, said he was officially told Saturday that his residence and work permit in Indonesia would not be renewed. Mr Kaye told AGENCE FRANCE-PRESSE he would leave Jakarta on Sunday for Hong Kong, and would soon be working as the Feer's correspondent in Bombay, India. He said he had been given no official reason for the decision not to renew his permit.

During the last 4 months, the Feer has been banned in Indonesia for stories about the Indonesian Army, elections in Indonesia and the trial of a leading dissident.

News that Mr Kaye's residence and work permit would not be renewed was known a week ago, but Mr Kaye, who tried to appeal the decision, asked the press to wait until the official announcement of his departure Saturday before reporting on it.

(In Hong Kong, Feer editor Derek Davies told AFP he was "upset and dismayed" that Mr Kaye, whom he called a "first class" journalist, had to leave Indonesia. But he said the Feer planned to name a successor in the post.)

Mr Kaye arrived in Jakarta in March 1985, replacing former Feer correspondent Susumu Awanohara, whose residence permit was not renewed at the end of 1984.

In 1984, five foreign correspondents working for AFP, United Press International, ASAHI SHIMBUN, the ASIAN WALL STREET JOURNAL and the Feer were banned from reporting in Indonesia.

Official sources said in 1984 that the criteria used for banning foreign journalists from working in Indonesia was the "veracity" of any article.

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CSO: 4200/810

31 March 1986

INDONESIA

COOPERATION AGREEMENT WITH FRANCE SIGNED

Jakarta ANTARA NEWS BULLETIN in English 27 Feb 86 pp A7, A8

[Text] Jakarta, February 27 (ANTARA)--The Indonesian-French bilateral consultation meeting on economic, cultural and technological cooperation which took place from Monday at the foreign office here was concluded Wednesday evening with the signing of the agreed minutes by the director of foreign economic relations of the foreign office, Atmono Suryo, and by French Ambassador to Indonesia J.M. Soulier.

The three-day meeting has discussed cooperation in the fields of trade, investment, economy, culture, research and technological development.

In the field of trade, both countries have agreed to take further steps in stepping up trade and to correct the imbalance in the bilateral trade balance which since 1980 has always been in favour of France.

But according to the director of international trade relations of the foreign office, Djamaluddin Juda, increase of Indonesian exports to France has met with obstacles, because as member country of the European Economic Community, France has fixed tariffs and quotas for commodities of non-EEC countries.

Indonesia considers the high tariffs and the quotas also as obstacles in boosting bilateral trade and has therefore asked France to discuss the matter with the other EEC members.

The highest deficit suffered by Indonesia was in 1983; Indonesia's exports to France recorded a value of US \$53.1 million, while its imports stood at US \$591.1 million, a deficit for Indonesia of US \$538.8 million.

In 1984 Indonesia's exports to France stood at US \$48.5 million, while its imports at US \$431.9 million or a deficit for Indonesia of US \$383.4 million.

For the first eight months of 1985, Indonesia's exports stood at US \$33.8 million, and its imports from France at US \$140.1 million or a deficit for Indonesia of US \$106.3 million.

In the field of investment, both delegations expressed their satisfaction at the French investment development in Indonesia.

There are at present 16 Indonesian-French joint ventures with an approved capital of US \$164.183 million.

The Indonesian delegation has submitted various project proposals such as the construction of freeways, engineering and cash crops.

France is interested to invest in these fields. Indonesia has investment cooperation and promotion programmes (ICPP) with other countries, such as West Germany. The Indonesian delegation hopes that a program similar to the ICPP could be effected between Indonesia and France.

The Indonesian proposal has met with a positive response from the French side, which would submit it to its government.

In the field of culture, both delegations discussed cooperation in education, culture, mass media as well as in research and technology.

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CSO: 4200/804

INDONESIA

USSR 'READY' TO PROMOTE TRADE WITH INDONESIA

Jakarta ANTARA NEWS BULLETIN in English 28 Feb 86 p A 11

[Text] Moscow, Feb 28 (ANTARA)--The Soviet Union is ready to step up trade with Indonesia on the basis of the 1974 agreement on principles of equality, mutual benefit, mutual respect and non-interference in the domestic affairs of each other.

Igor K. Mineev, in charge of economic cooperation with South Asian and Southeast Asian countries at the Soviet foreign economic relations committee, told ANTARA here Thursday that his government was hoping for an expansion of the economic relations between the two countries.

In this context Foreign Minister Mochtar Kusumaatmadja visited the Soviet Union in 1984, and a delegation of the Indonesian Chamber of Commerce and Industry (Kadin) also went there in same year.

Coordinating Minister for Economy, Finance and Industry Ali Wardhana, during a recent visit to the USSR, signed a protocol on the expansion of trade and economic cooperation between the two countries.

"We have talked a lot, and it is time for action," Mineev said.

In 1984 and 1985 the Russians have taken steps to boost their imports from Indonesia. The commodities they have imported included rubber, glycerine, spices, coffee, palm oil, pepper, tyres and tea.

As a result the Soviet imports increased 25% in the first nine months of 1985 compared to those during the whole of 1984.

The market potentials and economic needs of the Soviet Union made it possible to increase imports from Indonesia.

At the same time, however, Indonesia's imports from the Soviet Union drastically dropped, obstructing further imports by the Soviet Union.

The Soviet foreign trade organization will this year hold an exhibition on business information in Indonesia. The exhibitors will present better and more effective ideas about the Soviet export potentials, especially in the industrial field.

On the other hand, the Soviet Union will also welcome a similar exhibition in Moscow and will be ready to assist Indonesian trading organizations interested in organizing such exhibition.

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CSO: 4200/804

INDONESIA

VALUE OF EXPORTS DROP

Jakarta ANTARA NEWS BULLETIN in English 21 Feb 86 p A8

[Text] Jakarta, February 21 (ANTARA)--Indonesia's January-September 1985 exports dropped 15.89% in value compared to the corresponding period of 1984, although they were up by 20.59% in volume.

Figures at the Central Bureau of Statistics (BPS) showed that Indonesia's January-September 1984 export volume amounting to 82,677,027 tons increased to 99,648,111 tons in 1985, but dropped in value from US \$16,531 million to US \$13,892.9 million.

The decrease in value was particularly due to a drop in Indonesian exports to the United States, Japan, Singapore, and Canada.

Indonesia's January-September 1984 exports to the United States were valued at US \$3,438 million, which dropped to US \$2,837 million in last year's corresponding period.

Indonesia's exports to Japan also decreased from US \$7,893 million in 1984 to US \$6,427 million in 1985.

The exports to Singapore also dropped significantly from US \$1,494 million in 1984 to US \$1,344 million in 1985.

Indonesia's exports to Canada in January-September 1984 were estimated at US \$33.49 million, while in this year's corresponding period they dropped to US \$32.80 million, a decrease of about US \$0.69 million.

Indonesia's exports to the socialist countries, however, had been increasing, amounting to US \$117.96 million in January-September 1984, and increased 35.11% to US \$159.38 million.

Likewise, Indonesia's exports to the PRC dramatically rose from a value of only US \$5.48 million in 1984 to US \$35.13 million in 1985, up by about 700%.

The commodities which went to the socialist countries included coffee, pepper, tea, rubber, rattan, plywood and raw materials for textiles.

Indonesian exports to West European countries also increased from a value of US \$841.57 million in 1984 to US \$877.03 million in 1985. Those to West Asia increased from US \$161.52 million to US \$191.88 million, to Africa from US \$101.92 million to US \$124.91 million.

On the other hand, Indonesian exports to Australia dropped in value from US \$240.10 million in 1984 to US \$119.24 million in 1985, while those to Central and South America decreased from US \$766.67 million to US \$318.97 million.

The exports to South and Southeast Asia also dropped from US \$1,851.80 million in 1984 to US \$1,712.34 million in 1985.

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CSO: 4200/803

INDONESIA

EDITORIAL VIEWS PROPOSED PRIVATIZATION OF STATE ENTERPRISES

Jakarta BUSINESS NEWS in English 26 Feb 86 p 2

[Editorial]

[Text]

The perceptions and views with regard to the conversion of BUMNs (state owned corporations) seem to vary widely. Some express their agreement, others agree on certain conditions, and still other groups opine that such conversion of BUMNs is unnecessary because these enterprises continue to register profits or surpluses. It seems that those who are not interested in or have nothing to do directly with BUMNs, with their analyses being based on limited knowledge and information, may share the tendency in the world now undergoing the process of privatization. But in reality this process indicates wide differences in industrialised and developing countries.

The differences may have their origin in the diverse historical backgrounds, perceptions, orientations or interests and other forces. Some examples are :

- In Japan : the conversion of Japan Tobacco into a private firm was not owing to the losses it suffered. With the monopoly of cigarette manufacturing and distribution in its hands, the company was just a productive enterprise. They had to turn Japan Tobacco into a private firm because of the pressure posed by America so that Japan could allow foreign cigarette companies to distribute their products through their own arms to Japanese consumers.
- In Singapore : privatization is adopted because its government wants to withdraw from efforts regarded by the private sector as a form of unfair competition. And this government with full awareness and under certain programs would like to sell its shares to private parties.

This can be realised through its fairly advanced stock exchange. The problem of Pan-Electric has of late slightly disturbed activities at the stock exchange and caused a declining tendency. Nevertheless, SIA has joined the bourse and part of its shares have apparently been sold out, with priority mostly going to its employees.

SIA belongs to the group of state owned companies registering profits. It is just due to the presence of these profits that the public are willing to buy its shares. Hence the idea not to go public when BUMNs still record surpluses (profits) may not be correct. If this view is followed, there may be only a small number of would-be buyers when shares are sold as the BUMNs are facing deficits or losses. The logic is that shares can be sold as the companies concerned are making profits and not the other way round.

Shares can be sold in various ways because by going public, it does not mean that BUMNs will automatically lose control over their business undertakings.

If we examine the business enterprises in Indonesia wishing to sell their shares to private parties, BUMNs in fact have no reason to worry because in practice there is no serious intention yet to go public. In addition, it is to be questioned whether BUMNs will find it possible to sell their shares through the stock exchange we now have, because this bourse still faces various kinds of stagnation.

It will not be beneficial either if BUMNs are turned over to private groups using third-party funds that belong to the state. Basically their sources of funds remain limited because they cannot draw money directly from the capital and money market. The process of privatization is not the case in which the private sector taking over BUMNs obtains funds through state bank credits in tens of billions of rupiahs. It is not right and uninteresting if the transfer fails to make use of the private sector's own capital. If the concept of deriving funds from state banks is followed by the private sector, then this method is incorrect, and there should be no state banks to issue their credits. The view on the transfer of state run enter-

prises to the private sector can only be expressed by those with some authority. Those with certain interests in this issue are most likely to be silently or openly opposed to it.

From the angle of history, group interests, strong bureaucracy, the absence of the private sector capable of drawing capital directly from society, and the absence of such business facilities as a sophisticated stock exchange, the process of privatization in Indonesia will take some time. This is not only a matter of the availability or unavailability of private funds, but also because the authorities basically do not yet see any advantage of the necessity/urgency to sell shares to the private sector. Besides, private groups are still at the level of family business operations.

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CSO: 4200/803

INDONESIA

PROFITS OF STATE-OWNED PLANTATIONS DROP

Jakarta ANTARA NEWS BULLETIN in English 27 Feb 86 p A7

[Text] Jakarta, February 27 (ANTARA)--The total of profits, before corporate income tax earned by state-owned plantations dropped substantially to Rp 166.5 billion in 1985 from Rp 357.45 billion in the year before, Agriculture Minister Ahmad Affandi announced.

According to statistics distributed by the minister to reporters moments after he met President Soeharto at Bina Graha Thursday, the amount of taxes and dividends paid by the plantations to the state also dropped remarkably to Rp 32.6 billion in 1985 from Rp 132.5 billion in the previous year.

Minister Affandi explained that in 1984 the total earning of the state plantations had indeed jumped to a record high. thanks to the soaring price of crude palm oil (CPO) in the world markets and to the increase in the nation's CPO export volume.

In 1985, he said, the price plummeted and the government also restricted the export of palm oil in the interest of domestic supply.

In 1983, the plantations' before-tax profit was Rp 151.7 billion compared to Rp 22.89 billion in 1982 and Rp 59.7 billion in 1981.

Affandi said the plantations gave employment to an increasing number of workers: 678,430 in 1981 rising to 729,987 two years later in 1983, and to 731,114 in 1984 and again to 744,643 in 1985.

For the state plantations, rubber led the other commodities as the biggest income earner, followed by palm oil, cocoa, coffee and others.

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CSO: 4200/803

INDONESIA

JAPAN CALLED ON TO IMPORT MORE PLYWOOD

Jakarta ANTARA NEWS BULLETIN in English 26 Feb 86 pp A11, A12

[Text] Tokyo, Feb 26 (ANTARA)--The Indonesian plywood entrepreneurs association (APKINDO) has called on Japan to help boost Indonesian non oil/gas exports by way among others of increasing the purchasing of plywood from Indonesia.

The hope was expressed by General Chairman of APKINDO M. Hasan at a meeting with Japanese State Minister of Defence Agency Koichi Kato here Tuesday.

The plywood industry in Indonesia presently comprises 120 units absorbing about 750,000 workers which the large number of its machines were imported from Japan worth around one billion US dollar.

Exports of Indonesian plywood to Japan in 1985 reached 311,000 cubic meter worth 60 million dollar or around four percent of Japanese plywood consumption recorded at seven million cubic meter.

Indonesian plywood production in 1985 reached a total of 4.8 million cubic meter, 1.3 million of which was for exports.

Considering Indonesia has imported manufactory equipments, spare parts and its raw material from Japan worth one billion dollar, the APKINDO expressed the hope that the Japanese government could increase its plywood imports from Indonesia mounting to 15 percent of the total Japanese demand per year.

APKINDO has also welcome the cut of Indonesian plywood import duty to Japan to 17 percent expecting the drop of import duty would be linked with the FOB price and not the CIF price.

Kato on the occasion briefed the Indonesian plywood businessmen on the challenge faced by Japan due to a lot of plywood entering the Japanese market.

Kato who previously was dealing with agriculture including plywood industry told his guests that Japan had been urged by the United States government to lower its plywood import duty.

He, however, admitted that the drop of plywood import duty would influence the domestic industry in Japan so that it was much rejected by Japanese plywood entrepreneurs.

Minister Kato regarded as of importance the fostering of friendly relations with Indonesia and Japan expecting APKINDO would hold talks with their Japanese counterparts to seek a solution on the case.

General Chairman of APKINDO told ANTARA that it was not true Indonesia had sold cheaply its plywood to Japan.

The impression that Indonesia had sold its plywood cheaply to Japan due to the appreciation of the yen by 35 percent against the US dollar.

He said that this would stabilize the competitive power of Indonesian plywood.

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CSO: 4200/803

INDONESIA

CONTRACTORS ALLOWED TO IMPORT ASPHALT

Jakarta BUSINESS NEWS in English 28 Feb 86 p 9

[Text]

The contractors engaged in the realization of major projects are allowed to import their own asphalt. Pertamina, the state oil company, will start distributing its asphalt by the end of this month, and some have even entered various provinces.

Not only the Department of Public Works felt the shortage of the material in the building of roads in all parts of the country, the local administrations have also been suffering from the shortage of asphalt.

This was stated by Minister of Public Works Suyono Sosrodarsono in Jakarta Thursday after signing an agreement on Belgian technical aid for drawing up a detailed plan for clean water supply in Blitar, East Java, including the preparation of documents of the relevant tender.

The minister said the delay in the supply of asphalt to the different parts of the country was particularly due to the requirement that the transportation of the product must be realized through a tender.

But the supplies to Palembang, Jambi, South Sumatra and North Sumatra no longer pose any problem, he said.

The technical assistance, also signed by Belgian Ambassador to Indonesia J. Hellemans amounted to US\$ 150,000. It is to be used for the drawing up of the detailed plan, the supply of clean water in Blitar, and the preparation of documents for the tender and for the employment of Belgian experts.

In 1977, Belgium signed an agreement on technical aid to Indonesia taking the form of a master plan and feasibility study of the production of clean water for Blitar carried out by Tractional Electrique, a Belgian consultant.

Under the master plan, the supply of clean water in Blitar in 1990 will amount to 85 liters per second.

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CSO: 4200/803

INDONESIA

USE OF PEAT, OTHER ENERGY RESOURCES DISCUSSED

Jakarta ANTARA NEWS BULLETIN in English 22 Feb 86 pp A4, A5

[Text] Jakarta, Feb 22 (ANTARA)--Sumatera and Kalimantan islands are found to have peat deposits of 200 billion tonnes expected to replace firewood for use in households for medium and heavy scale power plants, it was disclosed here Friday.

Director for New Energy Resources Dr A.J. Surjadi said that peat has been traditionally utilized by the Indonesian people for household use. It, however, was not yet exploited as the main energy in Indonesia, due to its high water content and its calory was relatively low compared with coal, he said.

Surjadi said that technology for developing peat abroad has reached a reasonable level and it was now developed in Indonesia especially for pilot projects.

According to the Mines and Energy Ministry, peaty soil in Indonesia reached 26 million hectares. Every kilogram of peat could generate energy of about 4,000 to 4,500 kilo calory.

To make use of the peat deposits an agreement was signed last week between Indonesia and Finland to develop and utilize peat in Central Kalimantan.

According to the agreement, the Finnish government would provide experts in peat utilization and equipment as well as make feasibility study. Finland would extend a fund of about one million US dollar.

Efforts tof peat utilization began take place as from last year with the sending of nine Indonesian officials to Finland to study the technology of peat utilization.

On solar enegy, Surjadi said that there was no need to conduct an exploration but it would be done by way of measuring it at the location concerned.

New energy resources that could be developed in Indonesia are comprising biomass energies such as firewood, charcoal, agricultural wastes biohas, solar energy, wind energy, peat, high tidal energy and traditional energy.

Surjadi said at present some 40 percent of the energy consumed in Indonesia was generated from firewood, charcoal and wastes. Average per capital consumption of firewood is estimated to reach 0.85 cubic meters per year.

Development of new energy resources in Indonesia accordint to Surjadi was still facing obstacles.

He explained that new energy was especially developed at rural areas but it was faced by technical matters, as well as economic and social problems.

/9317

CSO: 4200/803

INDONESIA

PROJECTED PALM OIL PRODUCTION

Jakarta BUSINESS NEWS in English 26 Feb 86 p 6

[Text]

The production of palmoil in Indonesia is projected at 1.3 million tons in 1986, an increase of around 8.3% over 1,177,274 tons last year, Chairman of GAPKI (Indonesian Palmoil Producers Association) A.N.H. Nasution SH told Parliamentary Commission IV here Thursday. Concerning the world palmoil production, he pointed out that FAO had projected it at 7.7 million tons this year.

GAPKI members consist of state-run estate companies, major private estate companies, national private estate companies and foreign private estate companies. Members of the association grew from only 19 companies in 1981 to 38 companies in 1985.

Plantations belonging to GAPKI members expanded from 23,846 ha in 1981 to 501,660 ha last year, covering about 70 - 80 percent of the entire oil palm plantations in Indonesia. Besides Malaysia, several other countries in Africa & South America as well as Papua New Guinea have the potential to become the main rivals of Indonesia in palmoil exports.

/9317
CSO: 4200/803

INDONESIA

LOCALLY BUILT VESSELS STILL EXPENSIVE

Jakarta BUSINESS NEWS in English 28 Feb 86 p 8

[Text]

The prices of vessels built by local dockyards are still high, since there are certain components that have to be imported, though the dependence of the shipbuilding industry on imports in the procurement of components has much reduced.

At present only 30 percent of components required to build a vessel by local dockyards are still imported, but the price of a domestically built vessel remains high, Chairman of the Indonesian Shipbuilding Industry Association (Iperindo) Sularto Hadisumarto disclosed here recently.

Steel plants have been bought from a local producer, PT Krakatau Steel, but the price is high. Most other components can be obtained from local producers at high prices, because they produce the components only when they receive orders and based on the demand. Therefore, they generally offer high prices.

Secretary General of Iperindo Wasono NA said meanwhile that the cost of facilities such as electricity and water supply, transportation, telecommunication services, high interest rates of bank credits, import duty, value added tax, import sales taxes, working productivity were among factors causing the high prices of domestically built vessels.

The lack of expertise/knowhow and the insufficient number of skilled workers have caused local dockyards to be unable to finish the building of a vessel in a short time. Therefore, the low cost of workers does not result in the low cost of production, because it takes a longer time for local dockyard to build a vessel.

/9317

CSO: 4200/803

INDONESIA

BRIEFS

NORTH SULAWESI'S NONOIL EXPORTS--Manado, Feb 20 (ANTARA)--North Sulawesi's non-oil/non-gas exports recorded in 1985 a value of US \$89,435,000, an increase of 201.5 percent above the 1984 export value, which stood at only US \$29,665,000. In 1985 the export volume of 22 kinds of non-oil/non-gas commodities from North Sulawesi stood at 238,000 tons or an increase of 195 percent compared with 1984. The head of North Sulawesi provincial trade office, J.A. Tampi, pointed out to ANTARA Wednesday that the volume and value of exports during Pelita III compared with Pelita II, with a 19.9 percent increase in volume and a 143.3 percent in value. During Pelita III North Sulawesi's exports recorded a volume of 582,000 tons worth US \$151,576,000, while Pelita II's exports stood at 478,000 tons in volume and US \$61,735,000 in value, J.A. Tampi said. [Text] [Jakarta ANTARA NEWS BULLETIN in English 21 Feb 86 p A 1] /9317

'WEAKNESSES' OF ISLAM CITED--Jakarta, February 20 (ANTARA)--Coordinating Minister for People's Welfare Alamsyah Ratu Perwiranegara has said that there are three weaknesses facing Muslim people in Indonesia which needs serious efforts to cope with. The three weaknesses are lack of leading figures who are acknowledged by the world, lack of comprehensive Islamic development programmes and lack of reliable sources of funds for religious development purposes. Minister Alamsyah stated this when opening the sixteenth congress of Al-Jam'iyatul Wasliyah Islamic educational institute here Wednesday. Alamsyah pointed out that due to those shortcomings, it was no wonder why Muslims in Indonesia had not made any considerable progress despite 30 years of independence. The Minister attributed the weaknesses to the fact that Muslim leaders used to engage themselves in politics instead of development. Alamsyah called on Muslim people to work harder to make better progress in the future. The congress of Al-Jam'iyyah is participated in by 650 delegates of the organization from all over the country. The congress was also attended by Religious Affairs Minister Munawir Syadzali MA. [Text] [Jakarta ANTARA NEWS BULLETIN in English 21 Feb 86 p A7] /9317

SULAWESIANS NEED RESETTLEMENT--Kendari, Feb 22 (ANTARA)--At least 42,000 families or around 210,000 people living in critical areas in Southeast Sulawesi need resettlement, Soetrisno of the provincial administration disclosed here Friday. The social and economic condition of those people is very poor; therefore, areas with fertile farmland are required to provide

permanent settlement sites for them who mostly consist of nomads, he said. Most of those 42,000 families live on nomadic farming which has caused the expansion of barren and critical land in several parts of the province, he explained. Besides moving from one place to another to open new farmland with a simple system, they also collect rattan and wood from nearby forests to be sold. The Southeast Sulawesi administration has implemented the resettlement program for nomads since 1971/72 and up to the present time 5,577 nomad families have been resettled in permanent settlement sites specially provided for them. A house and two hectares of farmland are provided for each nomad family which occupies settlement sites, Soestrisno said. [Text] [Jakarta ANTARA NEWS BULLETIN in English 22 Feb 86 p A6] /9317

HMI CONGRESS IN MARCH--Jambi, Feb 24 (ANTARA)--The Islamic Students Association (HMI) will hold its next congress from March 24 to 31 in Padang, West Sumatera, its chairman Harry Azhar Aziz said here Monday. The congress which will be attended by about 1,000 members from throughout Indonesia is scheduled to consider the proposal that HMI adopts the Pancasila national ideology as its sole principle, he said. The organizing committee of the congress has in the past decided to bring the proposal for adoption by the forthcoming congress in Padang, he added. The proposal came from the Jambi branch of HMI. Harry Azhar disclosed that several ministers had agreed to address the one-week congress, among them the information minister, the religious affairs minister, the home affairs minister and the armed forces commander. He said the congress was also expected to express HMI's resolve to help contribute to the success of the general elections next year and to support the government's national development program. Harry Azhar is in Jambi to take part in the celebration of the 39th anniversary of the local branch of HMI. [Text] [Jakarta ANTARA NEWS BULLETIN in English 25 Feb 86 p A 1] /9317

PONIMAN RECEIVES THAI POLICE OFFICIAL--Jakarta, Feb 25 (ANTARA)--Director General of the Royal Thai Police General Narong Mahanonda paid a courtesy call on Minister of Defence and Security General Poniman in here, Tuesday. Minister Poniman, according to a press release issued by the Ministry of Defence and Security, said that relations between the Thai and the Indonesian Police corps are potential to strengthen cooperations of the two countries within the spirit of Asean. Such a cooperation constituted a close relations between the armed forces of the two countries, he added. The Minister congratulated Gen Narong Mahanonda after he received the "Bintang Bhayangkara Utama" medal from the Indonesian government which was presented by the Armed Forces Commander on Tuesday. Poniman later expressed the hope that the visit of Narong Mahanonda to the country would be very useful in maintaining cooperations between the two countries. [Text] [Jakarta ANTARA NEWS BULLETIN in English 26 Feb 86 p A2] /9317

31 March 1986

CENTRAL JAVA'S NONOIL EXPORTS--Semarang, Feb 26 (ANTARA)--Central Java's 1985 non-oil exports amounted to US \$150 million, the local trade office here disclosed Wednesday. The value of the export of 130 different non-oil commodities dropped compared to those in 1984, while the Tanjung Emas ocean port has not started to function. The head of the local trade office, Soekatno, meanwhile, said when opening a training course in export and import for business leaders here Wednesday, the participants should increase their skills, thereby reducing the number of expatriates employed in the export-import field. The two-day training is held under a cooperation between an institute of business administration here and the department of trade. [Text] [Jakarta ANTARA NEWS BULLETIN in English 27 Feb 86 p A 1] /9317

CSO: 4200/804

31 March 1986

MALAYSIA

BRIEFS

SABAH SITUATION SAID 'UNDER CONTROL'--The inspector general of police, Tan Sri Haniff Omar, says that the situation in Kota Kinabalu is tense but under control. Tan Eri Haniff has called on all sides to help the police for the sake of public security and calm. According to him, calm is needed before more people are injured. He urged the parties concerned to settle their differences peacefully and said that a curfew will be imposed if the situation warrants it. However, police action has so far been sufficient to have the situation under control. He said that the police are investigating into demonstrations that took place several days ago. Tan Sri Haniff arrived in Kota Kinabalu this afternoon. He said that the police will carry out their duties as required by the law. Tan Sri was speaking at a news conference after being briefed on the security situation in Sabah by senior state police officers at the Sabah police headquarters in Kota Kinabalu. [Text] [Kuala Lumpur Domestic Service in Malay 1230 GMT 15 Mar 86] /9604

APPEAL ON SABAH ELECTIONS REJECTED--The High Court in Kota Kinabalu today dismissed [words indistinct] an application for injunction to restrain the Elections Commission from conducting state election in Sabah. In dismissing the application in chamber, Justice Datuk Abdul Mansoor Ali granted leave for the applicant, Independent state assemblyman for Merotai Abdul Gafur Haji Salleh, to appeal to the Supreme Court. Meanwhile, a large crowd of people this morning took part in another procession from the state mosque in Sembulan to Kota Kinabalu town. They assembled at the compound of the high court and half an hour later the police allowed the crowd to continue the procession back to the state mosque. As they were turning to the coastal road, they pelted stones at shops along the street. This forced antiriot personnel to use teargas to break up the crowd. An hour later, the crowd proceeded back to the mosque. In Kuala Lumpur, the chief minister, Datuk Pairin Kitingan, held a closed-door meeting with the prime minister, Datuk Sri Dr Mahathir, on the latest situation in Sabah. However, no details were given. [Text] [Kuala Lumpur International Service in English 0600 GMT 17 Mar 86] /9604

SWEDISH IMMIGRATION MINISTER ARRIVES--Swedish Immigration Minister Madam Anita Gradin, accompanied by two officials, arrived here today for a 4-day visit to Malaysia. She was welcomed at the Subang International Airport by the Foreign Ministry protocol chief, Mr Ainatullah Karim, and several other Foreign Ministry officials. According to the Swedish ambassador to Malaysia, Mr Curt Wilik, the objective of Madam Gradin's visit is to observe how Malaysia handles refugee problems. He said Madam Gradin, while in Malaysia, will hold discussions with those involved with the issue. [Text] [Kuala Lumpur BERITA HARIAN in Malay 24 Feb 86 p 2] /9604

CSO: 4200/811

31 March 1986

PHILIPPINES

PROVINCIAL ACCEPTANCE OF AQUINO GOVERNMENT

Davao Applauds Ramos Order

Quezon City VERITAS in English 2 Mar 86 p 20

[Article by Carolyn O. Arguillas]

[Text]

THE morning after the Marcoses fled the country, Davao was forced to seriously and painfully consider genuine reconciliation through a meeting of military officers, government officials and "opposition" leaders held at the Metrodiscom Conference Room. In earlier days, they had sneered and hurled accusations at each other, but on that day, the *tuta*, the "communists," the "salvagers" — as they had been used to calling each other — were set to try and see if they could forget their differences and work as one under the new Aquino administration.

"This is not an easy task, to join hands, but we must learn to forget and, more importantly, to forgive," former Mayor Luis T. Santos told *Veritas*.

True enough, RUC Chief Brig. Gen. Jaime Echeverria's assurance that though the people, including the Armed Forces, had gone through a trial in the past days, "whatever pains were felt would soon be eased" did little to relieve the initial tension. Only soon after Deputy Justice Minister Manuel Garcia engaged opposition leader Silvestre Bello III in a heated verbal exchange, chiding him for having gone "on the air accusing us of cheating."

Bello had earlier invited government officials and military officers to a Mass scheduled for the afternoon which, he said, would be the start of a reconciliation process. He assured Garcia that the Aquino supporters would not resent the government and military presence nor sneer at them.

Regional Commander Romeo Recina later announced the directives issued by AFP Fidel V. Ramos and those present applauded the directive that, henceforth, there would be no dragnet or zoning operations; no more arrests or searches without legal justification; and political detainees who were arbitrarily jailed would soon be released.

FOR the residents of Davao City, hotbed of the insurgency war and Marcos-government acknowledged CPP-NPA laboratory, the proclamation of Corazon C. Aquino has now given them new hope. About half of Davao's 800,000 population turned out for the Thanksgiving Mass and later joined the victory march and motorcade along the city's main street, flashing the familiar "L" sign, which supporters say now signifies not "Laban" but "Liberation."

31 March 1986

Men shed tears and residents flocked around Linda Capunan, a Davaoña and one of the computer programmers who walked out on the Comelec count, to shake her hand. Capunan also shed tears, saying it was more out of a sense of relief not only for her but for her colleagues, who have been living in fear since their walk-out. Garcia held back tears when the huge crowd greeted him with a big round of applause, when he was introduced by Cory's leader. A placard was raised reading: "KBL, Cory Loves You."

Nicetos Sunilaban, 55, a dock worker told *Veritas* he is hopeful that with Aquino as President, the country would be a better place to live in. Nicetos had eight relatives killed by the military allegedly because the soldiers suspected them of being rebels. "*Isusumbong ko ito kay Cory, para naman mabigyan ng hustisya.*"

Thelma Carpio, 41, who fled Santo Tomas, Davao del Norte, immediately after the elections

because of threats from the mayor, could not control her tears. Carpio served as a poll watcher, and when Aquino won, the mayor looked for these Aquino supporters and harassed them, she said. Carpio was also an Iglesia ni Kristo member but "*Nigawas mi tungod kay Cory.*" ("We left the Iglesia ni Kristo for Cory") Iris de Guzman, 7, a grade one pupil at St. Peter's College was singing repeatedly Bayan Ko and said she was very happy that "*Lumayay na si Marcos.*" She said she did not like Marcos because "*Mama-matay ng tao.*"

Leni, on the other hand, is no longer joining NPA; Manang Talya who thought her newly-bought widebrimmed hat would be used for protest rally is now using this for the series of victory rally; Boy no longer feels dejected; Jun, does not see the need to join terrorists squad; and military officers, their personal loyalties notwithstanding are now looking for

a picture of her excellency, President Corazon Aquino, to hang on the walls of their offices.

Political detainees, of which Davao has the highest number, hope to join their families outside the prison camp soon. Residents of urban poor communities look forward to sleeping in peace because gun-toting or trigger-happy or hooded paramilitarymen will no longer storm their residences in the middle of the night in the guise of conducting dragnet or zoning operations to flush out suspected elements of the NPA. And Davao may no longer be the "Murder City" it used to be.

But as Fr. Malasmas said in the concelebrated mass, "Our work has not ended. It is just beginning. People power was responsible in getting Cory elected, people power was also responsible in fighting and exposing the irregularities of the election and just as people power was needed to get us where we are now, people power is also needed to build a new nation."

Zamboanga Celebrates; AFP for Cory

Quezon City VERITAS in English 2 Mar 86 p 20

[Article by Roy Ramos]

[Text]

AT LEAST 25,000 people trekked eight kms. from downtown Zamboanga City to Climaco Park yesterday (Wednesday) morning to celebrate the assumption of Mrs. Corazon Aquino of the Presidency and the downfall of Ferdinand Marcos. The marchers included office workers, nuns, priests and students.

Meanwhile, Southern Command chief Maj. Gen. Delfin Castro Wednesday also directed all military units in Mindanao to obey the orders of President Aquino and Armed Forces chief Gen. Fidel V. Ramos. Regional

Unified Command Chief Brig. Gen. Jose Castro likewise ordered all military units under his command to give their loyalty to the new commander-in-chief.

Brig. Gen. Carlos Aguilar, regional constabulary commander, informed all PC provincial commanders that the AFP Chief of Staff is Gen. Ramos. "The voice of the people is the voice of God," said Aguilar, who is one of the loyal officers of Gen. Ramos. Aguilar asked the AFP headquarters in Camp Aguinaldo to send him pictures of President Aquino to be hung in the offices

in his region.

Asked what he is going to do now that the Marcos government which he served fiercely for 15 years has fallen, Gen. Castro smiled: "I may be joining the ranks of ordinary citizens, perhaps with the Zamboanguenos, and go back to farming."

Mayor of Zamboanga City Manuel Dalipe, a former helicopter pilot of deposed President Marcos under the Presidential Security Command, tendered his resignation effective upon the end of his legal term which is June 30, 1986.

RAM Spokesman on Doubts about new AFP

Quezon City VERITAS in English 9 Mar 86 p 14

[Interview by Patricia L. Adversario with Navy Captain Rex Robles, policy planning assistant to Defense Minister Juan Ponce Enrile and spokesman for the Reform Armed Forces Movement (RAM)--"The Military and the President: How Long Will the Honeymoon Last"]

[Text]

CURRENT doubts on the "new" Armed Forces of the Philippines are primarily focused on the leaders of the four-day "revolution" who have been closely identified with the old regime.

Thus far, radical groups and individuals are adopting a "wary wait and see" stance towards the "new" AFP.

"Does anyone remember who the chief perpetrators, the main killers of Langoni, Escalante, Tatalon and Agdao were?" they would bitterly insist over the current hysteria of "guts and glory."

"Remember the heads of the execution squads, the main killers of freedom," they grimly exhort. "The twin former oppressors now riding high on people's power only recently used to disperse the same with water cannons, automatic rifle fire and truncheons on darker days."

Is there a new AFP then under Defense Minister Juan Ponce Enrile and Chief of Staff Gen. Fidel V. Ramos? Apparently for the wary, no amount of assurances can bring comfort from people who in only so many hours switched from a 20-year allegiance to one man.

Then too, how can the new AFP be the armed forces of the people when the US factor cannot be ignored, ask other observers. The new AFP, according to some, will still continue to serve US interests and will certainly bat for the retention of US military bases in the country.

Dr. Carolina Hernandez, in "The Philippine Military and Civilian control Under Marcos and Beyond" asserts that "the AFP is oriented towards the US, a close ally of the Philippines which has

provided substantial military assistance since 1946." She added that "mutual consultation on defense concerns take place between the two sides."

While Hernandez will not categorically say the US has had a direct hand in the reform movement, "the American inclination to see a reformed AFP must have encouraged its growth."

Perhaps, part of the motives in the incessant attempts to quell the "heroism" of the reformists led by Enrile and Ramos is the grudging acceptance of how potent the military is and can be. It has already been noted that "the armed forces are politically advantaged by their superior organization and communication systems, their cohesive esprit and their monopoly of arms."

There is also the danger that the "new AFP" may think that the success of the "bloodless" revolution must be attributed to itself. As it now considers itself a "critical factor in maintaining stability," the AFP may even be tempted to become a "contending force in the political system." Worse, the media have begun building up the Reformists as the country's "new heroes."

There is therefore, a perceived tenuous alliance between the military and civilian authority. The military, since it has more "armed resources than its civilian counterparts, can effect the changes that it so desires."

There are more concrete fears. Should the victims of military repression and violence under the old regime take legal reprisals, will the new AFP sincerely welcome a cleansing of its ranks? How long

can it take the pressure and the state of vulnerability it finds itself in from an awesome power center to an Armed Forces of the people?

In a two-hour interview with *Veritas*, Navy Captain Rex Robles, policy planning assistant to Defense Minister Juan Ponce Enrile and spokesman for the Reformist Movement discusses his views on a wide range of issues:

ON THE NEW AFP

IT is too soon to speak of a new AFP. We can only speak of this in the next 20 years. What is new about the AFP however, is its essential receptivity to change for the better. By this, half of the battle is already won. We have a new AFP in its awareness and its outlook, which means a return to basic values of professionalism and value of honesty and decency. It also means feeling and aspiring with the people and not living in a cocoon.

ON THE REFORM MOVEMENT'S ROLE NOW IN THE AFP

THE reform movement was only necessary when the faults of leadership were patent. The movement is redundant now as reforms are already being instituted like the retiring of extendee generals and the appointment of qualified people who are professionals. Reduced abuses are taken care of with the new freedoms that we now have. Eventually, the movement is going to be gradually de-emphasized. Right now, it does not seem advisable for the movement to take a high profile since

reforms are already being instituted. As far as we are concerned, we've done our duty to bring down Marcos and bring back the armed forces back to the people. If Gen. Ramos wants to harness our experience and idealism, it's up to him.

ON THE "DANGER" THAT THE AFP SEEMS TO BE FALSELY ATTRIBUTING THE SUCCESS OF THE "BLOODLESS" REVOLUTION TO ITSELF:

WE just precipitated the event. I think there's no doubt about it that people's power has toppled Marcos eventually. The reformation process was like a car which couldn't move forward because of the two obstacles — Marcos and Imelda. Eventually, the car would have moved forward because of the tremendous push and power from the people. The reform movement was just the starter of the car which made the process faster to prevent any repressive moves that will delay change unnecessarily and exact a lot of human lives. To employ another analogy, we were just the last drop of one per cent moisture in the 99 per cent rain cloud before rain finally gave way.

ON POWER PLAY/DESIRES OF GAINING ASCENDANCY IN THE NEW SET-UP AS MOTIVES OF INITIATING THE REFORM:

WELL, people can always suspect us of that. In a free society, anybody can always suspect everybody else. It's like asking a person if he's honest or not. Ten thousand angels swearing to his honesty will not make a difference. The only way to prove it is through his correct actions. We cannot do anything anymore if we try to act correctly and people still suspect us. Maybe we acted ahead of time. Maybe, people are still not receptive to acts of kindness that do not seek any form of reciprocation. I beg forgiveness for my bitterness but *ganoon ang lumalabas*.

ON THEIR POTENCY AS A GROUP:

SOME people really see the reform movement under Enrile and Ramos as a strong power group. The reasoning seems to be — if we can topple Marcos, then we can topple anybody. That attitude seriously underestimates the idealism behind the movement. Very few people really bothered to understand what we were when we first started, hence they are now surprised at our altruism and professionalism. They do not really believe a group burning with ideal concepts can genuinely exist.

ON US' PARTICIPATION IN THE "REBELLION" POINTING TO AFP'S ALLEGED ALLIANCE WITH US INTERESTS:

WHEN the "rebellion" broke out last Feb. 22, we tried to seek help from the US embassy only to provide asylum to the family members of the reform movement. We also explored the possibility of using the embassy as a place of refuge for the loyalists who wanted to defect. But the US in particular was playing it safe. They were non-committal until Monday evening, Feb. 24 when they started being solicitous. By then it (the gesture of help) was already academic as *panalo na kami*.

ON THE WARY ACCEPTANCE OF THEIR NEW IMAGE BECAUSE OF THE MILITARY'S RECORD OF ABUSE AND ATROCITY.

HOW many people will do what we did? Is there no atonement for your sins? Is this the kind of Christianity we are trying to peddle here — if people confess and they want to atone for it, people say, 'No, you cannot atone because you have sinned so much.' It's not being Christian anymore. There's a huge Christian base to this movement and we'd like to think it operates. Sometimes we're not so sure anymore,

because the suspicions seem to overpower all rational thought.

All the people who wanted to kill us — Tadiar, Brawner — where are they now? They are free to move around. They talk to the Defense Minister and nobody's harming them. If we can forgive these people who were in a position to kill us then, can the others not forgive whatever we did in the past. *Hindi na ba makakalimutan iyon?*

I don't understand this. What do we have to do? Strip our ranks? Live in penury for the rest of our lives for our people to realize that we mean well? There is a limit. We have already offered our lives.

I am not saying the reformists should be exempted from prosecution if found guilty of human right violations. People power will take care of that. I also don't think there's going to be any whitewash.

But whatever I will say, *hindi makukuha sa press releases, panaoorin na lang*.

ON THE "TENUOUS ALLIANCE" BETWEEN CIVILIAN AND MILITARY AUTHORITY:

THE military is like a sharp knife. It can cut in many directions but it cannot wield itself. Controls to whip the military in line belongs to the political realm — to the President. A lot depends on how the President uses this power. We have made a vow to follow.

Whatever the President says, She just has to say the word, no sooner said than done.

ON WHAT THEY FEEL ABOUT THE DOUBTS, IMPUTED MOVES, INNUENDOES ABOUT THEIR MOVES:

THE problem with the analysis made by our critics is they follow conventional lines. But what we did is not classifiable under any book. No group of soldiers will

group themselves together and ask to be killed. You have to start with that. If one cannot recognize the uniqueness of that gesture, one will run afoul in the rest of one's analysis. One has to see the unique creative gesture of our self-sacrifice to galvanize people's forces to topple a dictator.

Of course, I feel bitter about all these comments and innuendoes. For us who risked our lives, it hurts to be regarded as an enemy and not as a friend as our only purpose was to help the country.

ON THE TRAGEDY OF WINNING

I CAN understand it is hard to conceive of a group that only has altruistic motives. People feel there always has to be a catch. Honestly, people will also not probably believe us but we really intended to die in Camp Crame so people may wake up to the truth

of the Marcos regime. It was better to die than shoot our own countrymen. But nobody will believe that! Can a group of people be so crazy as to do what we did? Some of us did not even have rifles.

Our misfortune is we did not get wiped out. This is the tragedy of winning — that our motives are suspected and tainted to look like power play by Enrile and Ramos to gain ascendancy.

ON POSSIBLE DIRE CONSEQUENCES

WHAT else can we offer to convince people that we are honest? Do they want us to commit mass suicide just to dissipate all these rumors? If the innuendoes continue, it can create disillusionment in the movement, making it lose its efficacy. We can probably just stop doing anything more for the AFP.

Enrile Allays Fears of Military Rule

Quezon City VERITAS in English 9 Mar 86 p 16

[Interview by PHILIPPINE NEWS AND FEATURES with Defense Minister Juan Ponce Enrile: "'I believe Sincerely That We Should Have A Civilian Government'"]

[Text]

PHILIPPINE NEWS AND FEATURES: American special envoy Philip C. Habib met with you recently, what have you discussed so far?

JUAN PONCE ENRILE: Well, nothing much. He merely came to pay a call on me and Gen. Fidel V. Ramos and he informed us that the US government is ready to help us in accordance with previous agreements.

PNF: When you and General Ramos met Ambassador Habib a day before the siege happened, did you tell him what you were going to do?

JPE: No. Why should I? Is there any reason why I should be telling them? I should only be telling the Filipino people.

PNF: What do you think of the rumored plans of the KBL to consolidate their forces again?

JPE: Well, that's their business. In fact, all political parties should continue to function in order that they continue to revive the spirit of democracy — of democratic processes in this land. We should not have a single-party nation, we should as much as possible allow the voices of various groups to be heard. Pluralism in this milieu is a healthy sign of a vibrant democratic society. There should be no impediments in the functioning of political parties so that the spirit of democracy will continue to grow in our land.

PNF: What can you say about the charge that you staged a coup?

JPE: I did not stage a coup. This is not a coup. What we had was a military-people's revolution. [If] I staged a coup, I should be the one running the country now but I am not running the country. I had the chance to do that; in fact, President Marcos offered it to me on silver platter the morning before his departure and I declined it because I believe sincerely that we should have a civilian government in this country. I could have even without the offer of the President, organized a junta if I wanted to because at a certain point we had 85 per cent of the entire strength of the Armed Forces of the Philippines, but again, I did not because I believe in the political ideal, which is that civilian authority must

always be supreme in our land over any other authority.

PNF: What can you say about President Aquino's policies? Will you be supporting them?

JPE: We will support Mrs. Aquino all the way. Of course, we will make suggestions as a member of the Cabinet. We will suggest to her courses that in our opinion would help our people but the final decision would be hers and whatever her decisions would be, it is our duty as implementors of policy to follow her, to abide by her decision and to respect her judgement.

PNF: Did you talk to President Marcos before he left?

JPE: Yes, well, he talked to me. First in the morning, [when he] offered me the government. He said if you want to organize a provisional government, please do so. I would like to remain as an honorary president and you can run the government the way you want it. I said, Mr. President, first of all, I do not want to make the people suspect our motives in doing this. It was not our intention to grab power, we want only to restore democratic procedure by our effort to see to it that the will of the people is respected. Besides, any consideration of this nature would be too late because we have already committed ourselves to support Mrs. Aquino. In

fact at that point, I [had] already initiated the organization of a civil government. I suggested it to the leaders of the opposition.

PNF: Personally, would you have preferred Mr. Marcos to stay here and just give up the power to Mrs. Aquino?

JPE: I have no preference. I left it to the President to make the decision for himself. I was not in a position to decide this for him.

PNF: If the political detainees ask for indemnification and file charges against the military, what would you do?

JPE: Well, we will cross the bridge when we're there. We are willing to face charges, if there are charges, indemnification. That will be the problem of the government.

PNF: Is it true that you are not in favor of releasing all the political detainees?

JPE: We are bound by the decision of the President. Of course, we in the military must show to them the danger of releasing the leaders of the Marxist movement. But if the decision is made by the highest authority of the land to release them, then so be it. We will comply with the decision, but

we must, however, state that the responsibility is not ours if the situation deteriorates.

PNF: What can you say about the criticisms on the reinstatement of Brig. General Prospero Olivas in the New Armed Forces of the Philippines?

JPE: I think that he has to finish his extended tour of service because he was extended. After that, it will be our policy not to extend anybody.

PNF: You are very popular at the moment. Do you have any plans of running for President in the future?

JPE: I have no plans. I have no political plans whatsoever, that's why, as I said, I disassociated myself from my former party. They offered me the presidency of the party on instructions of the President and I told them that I would like to maintain the ideal I have entertained in my mind ever since that the Ministry of National Defense and the Armed Forces of the Philippines together with other military organizations must be non-political. We must not take sides between the UNIDO or the KBL or whatever, so that we can be the stabilizing factor in this country.

/9317

CSO: 4200/808

PHILIPPINES

CONGRATULATORY MESSAGES FROM WORLD LEADERS

Quezon City VERITAS in English 2 Mar 86 p 5

[Text]

PLEASE accept the congratulations and best wishes of the Australian Government and people on your great victory. The will of the Filipino people has prevailed.

This would not have been possible without your courage and determination, which have won you admiration in Australia and around the world. I pay tribute to that. I pay tribute to the magnificent resolve of the millions of Filipinos who, through their commitment to democracy and to fairness and justice in the conduct of your country's affairs, managed to secure the victory that was properly theirs. That this has been achieved with little evident violence reflects great credit on the Filipino people. The roles of Church and other leaders have been both courageous and exemplary. The many who put their lives at risk deserve the highest praise.

As a near neighbor and regional partner, Australia has a keen interest in the Philippines and a strong concern for the welfare of the Filipino people. Our feelings have been with you during the recent difficult and indeed critical weeks. We now look forward to developing a relationship which is based on shared respect for political freedom, human rights and democratic choice.

In recent years the Philippines has not been able to participate to its fullest potential in the expanding interrelationships of this region. While the previous regime was in office I myself chose not to visit the Philippines as Prime Minister. Your impending Presidency allows us a new start

in building a relationship which is commensurate with the Philippines' important place in the region, and I am looking forward to a meeting with you at the earliest opportunity. If it is convenient to you, the Australian Foreign Minister, Bill Hayden, plans to visit Manila in the next few days to establish high level contact between our Governments.

The Australian Government recalled our Ambassador to the Philippines over the weekend as a mark of protest against signs that Mr. Marcos would cling to that power which the people had already denied him.

We have now asked our Ambassador to return to Manila to take over the Embassy, which I am glad to note has already established friendly and cooperative relations with you and your colleagues.

Your accession to the Presidency, with the clear support of the majority of the people, marks a new beginning. We now look forward to the smooth assumption of your authority across the country.

Clearly the Philippines faces a huge task in the restoration of democratic processes and the implementation of economic reforms. You have the best wishes of the Australian Government and people as you tackle these challenging problems. I can assure you of the Australian Government's full cooperation and support.

— AUSTRALIAN PRIME MINISTER
R. J. L. HAWKE

AT A press conference in the Hague on Feb. 25 (late evening Manila Time), the British Foreign Secretary Sir Geoffrey Howe issued the following statement: "Britain, like its Community partners, looks forward to working closely with the Government of President Aquino. We offer her and the people of the Philippines warm congratulations and wish them well for the future."

THE Singapore Government recognizes and extends its good wishes to President Corazon Aquino and the new government of the Republic of the Philippines.

Good sense and restraint on the part of both contending parties have averted tragic bloodshed. President Corazon Aquino and the Filipino people can take pride in overcoming a grave political crisis in a manner that does credit to democracy.

Singapore will continue to work in close cooperation in Asean with the Philippines and further strengthen the existing warm relations.

We are also grateful to President Marcos for eventually recognizing the wishes of the Filipino people and departing in a manner that has enabled a peaceful handover of power.

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CSO: 4200/808

PHILIPPINES

BUSINESS DAY HITS KBL CONDITIONS FOR AQUINO RECOGNITION

Manila BUSINESS DAY in English 6 Mar 86 p 1

[Editorial: "Accepting a Reality"]

[Text]

The Kilusang Bagong Lipunan, still the majority party in the Batasang Pambansa, has announced that it "... is considering the legitimization of the Aquino government" but conditioned on the "... promise that the Aquino government will act in accordance with the rule of law and the Constitution."

It is strange that a party, which for the last 14 years has made a travesty of the rule of law and the Constitution, not only by its amoral subservience to one man, but also by its legislative reinforcement of the mockery of the law by this man, should now have the intestinal fortitude to gratuitously offer conditional constitutionality to the new government brought into power by the popular will.

For despite its reluctance to identify itself as such, the new government, as observed correctly by Justice Minister Neptali Gonzales, is one which has been swept into office by the revolution of the people. Any attempt to deodorize the dark connotations of a revolutionary government by acquiescence to the provisions of the present Constitution would be a rejection of the people's reason for manning the barricades which was the removal of a dictatorship which drew its sustenance from the mantle of legalese which its own 1973 Constitution and parliament draped it with.

It is to the credit of the new government that while it has the capability to do otherwise, it has chosen to work within the framework of existing law to dismantle the onerous impositions of the previous regime even though the people's mandate expects the speedy but just destruction of the political and social structures which gave muscle to an ignominious chapter of our history.

We do not speak out to favor the perpetuation of a revolutionary government but for its acceptance as a reality as the first and necessary step in the transition from one-man rule to a democracy.

The 1973 Constitution and its legal progeny were spawned for tyranny and the breeding of dynasties. And unless the regime is resigned to emulate the vagaries of its predecessors, it should remove the constraints to a swift swing towards normalcy which only a revolutionary government can hasten.

After this first step has been taken, it is imperative that a new organic law or charter be drawn up which will govern the conduct and affairs of those who govern and those who are governed, taking care to breathe into it the safeguards that will never allow any one man, or group of men ever to rule us without our consent. Once the rules for the game have been spelled out, we strongly suggest that elections be held immediately both for the local governments and the national assembly or congress as the case may be.

We understand that the proposal for the drafting of a new charter and the subsequent holding of elections have already been made by the vice-president. Whatever the merits, or the lack of it, of the Laurel proposal, this does not detract from the validity of both exercises. For we must return to an environment of law and order guaranteed and administered by those whom we have chosen freely without fraud and intimidation before we can face in earnest the staggering but not impossible task of lifting our nation from the ruins.

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CSO: 4200/808

31 March 1986

PHILIPPINES

PKP STATES CONDITIONAL SUPPORT FOR AQUINO

Manila BULLETIN TODAY in English 7 Mar 86 p 8

[Text]

The Central Committee of the Partido Komunista ng Pilipinas (PKP) expressed support for the Aquino government's call for national reconciliation.

Felicesimo C. Macapagal, PKP secretary-general, in a letter to Mrs. Aquino, said: "As Filipinos, fighting for a just and progressive society, we cannot ignore such a call for national unity, especially when the country is confronted with its worst post-war economic crisis and the attendant social problems arising from it."

However, the PKP said, it will only support a government that promotes the national interest of the Filipino masses and loosens the foreign hold on the country.

"The PKP will oppose and denounce any government that serves United States imperialism and goes against the real interest of the people," the PKP stressed.

Macapagal said the PKP hopes that the performance of the Aquino government will prove their misgivings as totally misplaced. "Although it is clearly discernible that your government enjoys the

support of Washington," the PKP stressed, "it cannot also be denied that your administration was catapulted to power because of popular support."

"Reagan's flip-flopping posture in relation to the results of the last elections indicates the unreliability of the US government as a partner."

"American support for Marcos while the latter was useful to them and consequent withdrawal of such support when Marcos was no longer of value to them reveals the whole essence of American diplomacy here and in other parts of the world."

Macapagal said the PKP are encouraged by the initial efforts to institute reforms in the government and to release political prisoners.

"But this is not enough. The process of broadening democracy in this country must logically end in the eventual liberation of the economy from foreign stronghold," Macapagal said.

The PKP secretary general said that to assert the economic sovereignty of the Filipino, the PKP will be more than willing to ex-

tend its all-out support to the Aquino administration.

"But should the changes in your government remain only at the level of appearances and, worse, should our country's dependence on foreign capital become deeper, we as Filipinos and communists have all the right to oppose your government and struggle to direct the attention of the people to a correct path," the PKP said.

Macapagal told Aquino that the PKP is a revolutionary party. "It is revolutionary because it seeks radical changes in the socio-economic system based on the socialist vision as guided by the Marxist-Leninist ideology and as interpreted by the ideals and aspirations of the Filipino people."

"We are seeking our objectives through the exercise of meaningful constitutional liberties and democratic rights," he said.

"As a political and unarmed party in a pluralistic society, we claim the right to operate legally just like the KBL, Unido and PDP-Laban, and other political parties," he added.

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CSO: 4200/814

31 March 1986

PHILIPPINES

EDITORIAL LAUDS LIMITATIONS ON CONCURRENT POSITIONS

Manila BULLETIN TODAY in English 7 Mar 86 p 4

[Editorial: "Concurrent Positions"]

[Text] **T**HE days when a Cabinet member wears many hats may be over. They should have been over a long time ago since the practice had long been criticized.

We have yet to hear a valid justification for the practice of appointing a Cabinet member as a chairman or director in many commissions, boards, and corporations. Our report yesterday stated that one Cabinet member was a member of the boards of more than 40 corporations. Since he was a Cabinet member he was likely to be a member of the Batasan and a member of some important commissions and other types of agencies. How could he have the time?

A Cabinet position is a full-time job, requiring the full attention of

the incumbent in view of the importance of the agency. If he has many other government positions, he is not likely to perform his job as head of ministry well.

Politically, concurrent positions are disastrous, because they limit government perquisites to a few. The allowances and other "perks" the official occupying many positions concurrently could be distributed among other members of an administration who are legion. The highly uneven distribution of the political spoils injects resentment into party ranks.

When important positions are held only by a few, many blind spots develop in the administration of state affairs and while the government machine can be

easily manipulated from above, it tends to ignore the reality at the level of the common citizens.

The practice gives rise to the dearth of checks and balances among agencies and promotes conflicts of interests. Many instances of such results were pointed up in the past administration, yet the practice went on.

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CSO: 4200/814

PHILIPPINES

TANADA SON BECOMES NEW CUSTOMS COMMISSIONER

Manila BULLETIN TODAY in English 6 Mar 86 p 6

[Text]

New Customs Commissioner Wigberto E. Tañada warned yesterday "there will be no compromise on any wrongdoing" in the customs bureau's rank and file based on the high moral standard set by the Aquino administration.

"But I am giving you all the benefit of the doubt to start with," said Tañada, 51, a Harvard-trained lawyer and son of former Sen. Lorenzo Tañada.

Tañada said he would respect Civil Service laws and that "due process of law will be observed" in his administration.

The new customs chief took over the bureau from outgoing Customs Commissioner Ramon J. Farolan, commanding general of the Philippine Air Force (PAF).

Another customs official, Guillermo O. Orbos, was transferred. He was replaced by Cmdr. Bienvenido Alano Jr.

Tañada said he initially turned down the nomination to the post of customs commissioner because it is an "awesome and complicated job" but later accepted it which he described as a "challenge."

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CSO: 4200/814

PHILIPPINES

CONCURRENT POLITICAL POSITIONS TO BE LIMITED

Manila BULLETIN TODAY in English 6 Mar 86 p 11

[Text]

Concurrent directorships of members of the Cabinet in government banks and in government-owned corporations will be limited, if not completely banned, sources close to the Presidential commission on government reorganization disclosed.

At the same time, government officials will be strictly banned from holding directorships and/or management positions in private corporations to avoid conflicts of interest.

The sources said that concurrent directorships of Cabinet members that became the vogue during the previous administration lent itself to conflicts of interest and sometimes abuse of authority.

Many Cabinet members under the previous regime, especially those handling the management of the economy, were holding dozens of directorships in govern-

ment banks and firms and in inter-agency policy-making or regulatory bodies.

As the number of government corporations grew over the years, the number of their concurrent directorship positions also grew, limiting the efficacy of their management, the sources stressed.

In many instances, these Cabinet members may not even have the time to attend to board meetings in corporations where they had been designated directors, forcing them to delegate their representations to their underlings.

Sources said that the new administration is reportedly considering limiting the number of memberships of Cabinet men in the boards of directors of government firms to ensure actual attendance during meetings.

Under the past setup, one Cabinet minister even had directorships in the boards of over 40 cor-

porations.

At the same time, officials above the rank of deputy minister may be excluded from board membership to avoid conflicts of interest which may arise whenever the law or regulation requires ministerial review or supervision over certain corporate acts which the same minister had earlier participated as member of the corporate board of that government corporation.

One source cited the case of Internal Revenue Commissioner Ruben Ancheta as a clear example of conflict of interest due to concurrent directorships. While Revenue commissioner, Ancheta was a member of the boards of the Development Bank of the Philippines, the Philippine Amusement and Games Corp., Philippine Estates Authority, Philippine Exchange, Philippine International Trading Corp., and others — all taxpayers.

PHILIPPINES

TRIBAL EXPECTATIONS UNDER AQUINO EXPRESSED

Manila BULLETIN TODAY in English 7 Mar 86 p 8

[Article by I.S. Chammag]

[Text]

BAGUIO CITY — Except for the province of Kalinga-Apayao where massive fraud and terrorism were committed, the other Igorot provinces in the Cordillera mountain ranges, like Benguet, Mountain Province, and Ifugao, voted heavily for the Unido tandem of President Corazon C. Aquino and Vice President Salvador Laurel during the Feb. 7 elections.

Even in this mountain city where the Unido lost, Aquino and Laurel won in communities and places dominated by the highland Igorot natives.

In Benguet, the Unido team won over the KBL by more than 10,000 votes. The same was true in Ifugao. The Unido also won in Mountain Province by more than 10,000 votes although it was officially reflected during the Batasan count that the Marcos-Tolentino team lost by only about 1,000 votes.

The Igorots, in rejecting Marcos' reelection

bid, had varied reasons, but the most immediate was the neglect by the national government during the 20-year Marcos regime of the local governments in the Cordilleras.

The neglect resulted in the deterioration of the road systems in the Cordillera provinces as well as government services, and the proliferation of graft and corruption among officials, which in turn brought about economic difficulties for the Igorot population.

While Marcos included the Igorot provinces of Benguet, Ifugao, Mountain Province, and Kalinga-Apayao as parts of his vaunted solid north, he weakened the solidarity of the minority inhabitants of these places by fracturing them in two separate regions in Northern Luzon.

Benguet and Mountain Province were made to belong with the Ilocos region or Region 1, while Ifugao and

Kalinga-Apayao were made to belong to the Cagayan Valley region or Region 2.

The various Igorot groups in these provinces who are possessed with the same customs, cultural background, and traditions, are now girding for the creation of a separate Cordillera region instead of being dispersed in other regions.

Another reason the Igorots rejected the reelection bid of Marcos was the partiality of his administration in infrastructure projects. The Igorot provinces were always the last priority areas.

The Igorot leaders also pointed out that their natural resources were exploited to their disadvantage, their rights were abused and violated, and their ancestral lands were forcibly expropriated in the name of progress and development for the majority of the Filipinos, without any appreciable benefits to the Igorots themselves.

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CSO: 4200/814

PHILIPPINES

METRO MANILANS 'GENERALLY SATISFIED' WITH CABINET

Manila BULLETIN TODAY in English 8 Mar 86 pp 1, 7

[Text]

Metro Manilans are generally satisfied with the composition of President Aquino's Cabinet, with Armed Forces chief of staff Gen. Fidel V. Ramos and former Sen. Jovito Salonga topping the list of appointees enjoying popular support.

This is indicated in the results of a "snap survey" conducted last March 1-2 (less than a week after the appointments were announced) by the Development Academy of the Philippines (DAP).

Summarizing the survey results, DAP noted that there is "overwhelming confidence in the President's choices."

The DAP surveyed at random 400 Metro Manilans of voting age through telephone interviews.

Seventy-three percent of those surveyed said they are satisfied with the composition of Presi-

dent Aquino's Cabinet. Only seven percent said they are not satisfied. Nineteen percent said they were uncertain at that point and were not able to give their assessment.

A common answer of those satisfied was, "*Basta okay sila kay Cory, okay rin sila sa akin.*"

The appointees who got the biggest endorsement by the respondents were Ramos, 91 percent; Salonga (good government), 88 percent; Jaime Ongpin (finance minister), 82 percent; Ramon Mitra (agriculture), 82 percent; Neptali Gonzales (justice), 82 percent; Juan Ponce Enrile (defense), 81 percent; and Salvador Laurel (foreign affairs), 75 percent.

Occupying the middle bracket were Aquilino Pimentel Jr. (local government), 74 percent; Rene Saguisag (presidential spokesman), 73 percent; Joker Arroyo (executive

secretary), 71 percent; Ernesto Maceda (natural resources), 71 percent; Jose Concepcion (trade and industry), 67 percent; Lourdes Quisumbing (education), 64 percent; and Alberto Romulo (budget), 63 percent.

The other appointees with their respective ratings are: Jose Fernandez (Central Bank), 59 percent; Teodoro Locsin Jr. (information), 58 percent; Jose Antonio Gonzalez (tourism), 57 percent; Luis Villafuerte (reorganization), 56 percent; Rogaciano Mercado (public works and highways), 55 percent; Teofisto Guingona (audit), 54 percent; and Alfredo Bengzon (health), 41 percent.

The survey results also indicated that the best known appointees are Laurel, Ponce Enrile, Ramos, Salonga, Fernandez, Maceda, and Concepcion. The least known are Bengzon, Mercado, Guingona, Villafuerte, Gonzalez, Locsin, Quisumbing, and Romulo.

DAP said that the respondents were not asked to evaluate each appointee with respect to his position.

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PHILIPPINES

RAMOS BEGINS DEMILITARIZING GOVERNMENT OFFICES

Manila BULLETIN TODAY in English 9 Mar 86 p 6

(Text) Gen. Fidel V. Ramos, chief of staff of the new Armed Forces, started yesterday to demilitarize various agencies of the government by pulling out military personnel assigned to them.

The AFP chief's action was approved by Defense Minister Juan Ponce Enrile and President Aquino.

All AFP officers and men assigned to government-owned or controlled corporations as well as those assigned at the casinos were pulled out and returned to their mother units.

The only exceptions were those assigned to guard important government installations, including private facilities and equipment vital to national security.

There was no estimate of the number of officers and enlisted personnel involved in the pullout order. However, certain quarters in the military said these military men could compose two battalions.

During the Marcos regime, defense and military authorities had kept insisting on the pullout of the AFP personnel from civil agencies of the government.

The compelling reason then, and even now, the military said, was that the assignment of these civilian functions had depleted the force thrown into the anti-insurgency and anti-criminality campaigns.

All these previous moves, the military said, had been ignored.

TARLAC, Tarlac —

The entire force of the 185th PC company stationed at Camp Jefmin in Concepcion town was ordered relieved by the Ministry of Defense in line with the massive cleanup drive launched by Maj. Gen. Fidel A. Ramos, AFP chief of staff.

At the same time, all members of the police force of Concepcion will be assigned to the different police stations in the province. Earlier the station commander, Capt. Onofre Basilio, was relieved.

The two entities were placed in hot water after some of its members were found to have been involved in partisan politics.

Last Feb. 5, some PC soldiers under Maj. Napoleon Castro, commanding officer of the

185th PC company, were allegedly responsible for harassing President Aquino's sister-in-law, Lupita Kashiwahara, and her daughters while enroute to Concepcion town to attend the opposition's "miting de avance." (Carlos Gatdula)

The Armed Forces of the Philippines' Civil Relations Service denied yesterday press reports that some 90 civilians and non-combatants were killed in two villages in Tagum, Davao del Norte, during a bombing sortie by helicopter gunships last March 1.

Col. Luis G. San Andres, commanding officer of the CRS, issued the denial following receipt of official reports from field commanders in Region 11 which covers the Davao provinces.

He quoted a report of Lt. Col. Douglas Rosete, commanding officer of 11th Civil Relations Group, denying newspaper reports about the alleged killing in Tagum, Davao del Norte.

PHILIPPINES

SUIT PRESSED AGAINST CENTRAL BANK GOVERNOR

Manila BULLETIN TODAY in English 10 Mar 86 pp 1, 5

[Text]

Criminal cases filed against Central Bank Governor Jose Fernandez, Monetary Board members and Social Security System Administrator Gilberto Teodoro, which had long been pending before the Tanodbayan were brought to the Presidential Commission on Good Government under former Sen. Jovito Salonga.

Citing Fernandez and the MB members as respondents for alleged violations of the Revised Penal Code, lawyer Marcial O.T. Balgos, representing BF Homes, Inc., asked Salonga to:

1. Recall the appointment of Fernandez as CB governor;

2. Examine the privilege of CB officials — Carlota P. Valenzuela, A. Aurellano, and R. V. Tiaoqui — to continue in the service;

3. Withhold any possible benefits for former Prime Minister Cesar Virata, former

Trade and Industry Minister Roberto Ongpin, former Economic Coordinator Vicente Valdepeñas and Teodoro.

Balgos accused these officials of "proceeding in the destruction of the business of our client; falsifying documents, and excessive use of military power" in a futile effort "to cow our client into submission."

Meanwhile, the reappointment of Fernandez as CB governor was welcomed by the world banking community led by officials of the International Monetary Fund, administrator of the country's \$26-billion loan, said a CB press release.

Headed by managing director Jacques de Larosiere, the top IMF executives hailed Fernandez's reappointment as a "very significant plus for the new government." They cited "the close relationship with you (Fernandez) in the past and we are looking forward to its continuation."

On the other hand, the World Bank told Fernandez of its appreciation of "your remaining in office during this difficult period of transition as much to allow you to continue with the excellent recovery measures you have started as to meet the new challenges that lie ahead."

The messages were among a number of congratulatory telegrams received by Fernandez's office within the last few days. Fernandez helped negotiate with the IMF the restructuring of the country's foreign debt when the government defaulted in its payments two years ago.

Fernandez also received congratulations from the International Finance Corporation, Washington; the First Interstate Bank, L.A.; Richo, London; Bangue Indosuez Paris; National Commercial Bank, Jeddah; Mitsubishi Bank, PBEC, Japan; Elders Pica; and INTBAFRAD, among many others, the press release said.

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PHILIPPINES

BUSINESS DAY PROFILES 'LEFTIST' SOCIAL SERVICE MINISTERS

Manila BUSINESS DAY in English 10 Mar 86 p 6

[Article by Gethsemane M. Selirio: "The 'Leftist' Women of MSSD"]

[Text]

Of the new women in government, two in the Ministry of Social Services and Development stand out because of their character, competence and alleged "leftist" leanings.

Dr. Mita Pardo de Tavera, 66, and professor Karina Constantino-David, 39, are the new minister and deputy minister of MSSD, respectively. Although social work isn't their formal profession, both women have had extensive experience in this field.

Tavera, who is descended from Dr. Trinidad Pardo de Tavera, the friend of national hero Jose P. Rizal, is a physician (UP College of Medicine, 1944) specializing in tuberculosis. David is a sociologist by training and teaches at the UP Institute of Social Work and Development.

LEFTIST LEANINGS?

Before becoming government officials, these two women were actively involved in cause-oriented — some leftist — groups which have staged protest actions against former President Marcos

like Tavera's GABRIELA/Concerned Women of the Philippines and David's Kaak-bay.

"We both grew up in the streets," admitted David in a recent talk with journalists covering the MSSD beat. David, wearing the trademark sandals of militant UP teachers, added: "We should not talk about labels anymore. What is important is we have to rebuild our society."

The experiences of the cause-oriented groups should instead be used as significant inputs for a "harmonious merger" with the new government, David said.

"Sometimes, there is a lack of understanding about the rebellious spirit of cause-oriented groups," she mused. The new deputy minister, who also led the faculty and student walk-outs at the state university was optimistic of an eventual merger between the "left" and the "right" in government service because "their hearts are in the right places."

SERVICE. The sentiment that is being shared, according to

David, is service to the people, particularly to the masses. The MSSD singles out for its programs Filipinos who are in the "bottom third" of the economic ladder, or an estimated 15 to 16 million Filipinos.

For her part, Tavera said that it is "very wrong" to identify people with one particular side. "In the long run there is only one side, the side of the people," she said.

The new minister said the thrust of her ministry is to bring it closer to its constituents. This can be done by having more community-based programs which would be the conduit for consultations with people on their various needs, she said.

Tavera, who is also founder of the Alay Kapwa Kilusang Pangkalusugan which has pioneered in community health programs, said that all past MSSD programs would be reviewed to determine which has to be strengthened. Mass vaccinations and cleaner water supplies are some of the initial projects being lined up by the new ministry.

CHILDREN. The gray-haired minister expressed a special regard for the welfare of children. "This is their world," she said, noting that 75% of the population are below 25 years of age. She vowed to put a stop to prostitution, especially those of children in Pagsanjan.

"It is a fact that prostitution is an experience of poverty," Tavera said. Since the overall thrust of the new government is economic uplift, this should help in lessening if not totally eradicating prostitution, she said.

As to how their "leftist" leanings — neither denied nor admitted to by both women — will affect the policies at the MSSD remains to be seen. Tavera and David stress however that only one sector will benefit from their programs at MSSD: the underprivileged Filipinos.

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PHILIPPINES

CEBU COLUMNIST VIEWS RESIGNATIONS, 'MARCOSIAN EVIL'

Cebu City VISAYAN HERALD in English 4 Mar 86 p 3

[Commentary by Eddie Adlawan in "The Monitor" Column "Gullas Resignation"]

[Text] The reported withdrawal of the resignation of Gov. Gullas is a typical KBL gesture.

But it is a disappointment to those who think of Gullas as a basically respectable man, a gentleman breed in durable virtues, delicadeza being one of them.

We have seen the atrocious legalism being practiced by the KLBs, as fostered by its high priest, Ferdinand E. Marcos.

Among the hundred of examples of this type of legalism, the latest, in fact, was the Batasan ballot count. So what if most of the returns were tampered with signatures of Unido representatives missing, seals were those of the 1984 elections - doesn't the law say the Batasan has only to count, and proclaim Ferdinand?

Gullas tendered his resignation after the "people power" drove home the point of people's rejection of the tyrant in Malacanang which underscored their boiling desire for change. Gullas scored a high point there, standing tall, when he resigned.

But his withdrawal shows him falling back to the Marcosian evil. The same thing could not aptly be said of Mayor Duterte who did not resign but choose to be legal about the whole thing. There is a difference.

We have always been in the contention that Marcos was not alone in his crime against the Filipino people and nation. The KBLs made it possible for him.

In such crimes of killings and salvagings of citizens, in the plunder and the enormous devastation Marcos did on the country's finances, including the damage in social and economic spheres. Marcos had his major and minor collaborators which would not entirely be held guiltless till the day they die.

The people power that was demonstrated between and around Camp Crame and Camp Aguinaldo during that fateful three days in February was the most massive exorcism done on the Marcos Evil that seized the nation for years, such evil that manifested itself in corruption "bordering on looting", shamelessness heretofore unknown anywhere except in the criminal world, a legalism brought about by constitutional distortions based on lies.

The Marcosian evil is still very much around. Its disciples like Jaime Opinion for lies, Leonardo Perez for electoral witchcraft, Jaime Lave for financial "black magic" and many others are still around wearing the mantle of respectability of an MP.

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CSO: 4200/814

PHILIPPINES

DURANO ANNOUNCES RETIREMENT FOR 'SERVICE OF GOD'

Cebu City SUN STAR DAILY in English 4 Mar 86 p 14

[Paid Advertisement signed by Congressman Ramon M. Durano, Danao City, 1 Mar 86: "For the People To Know"]

[Text] It is a well known fact that in my political career for 60 years to be exact, since I started the game of politics when I was 20, I have built a political machine that has been tested and tried in all political battles in the Philippines. I have served all presidents (except President Quezon), President Osmena Sr., President Roxas, President Quirino, President Magsaysay, President Garcia, President Macapagal and President Ferdinand E. Marcos up to his last days in Malacanang. Much water have passed under the bridge of our political existence and I have weathered all political crises in our country. I made it a point that the elections of February 7, 1986 would be my last political fight and that I would retire for good. I am reminded of what Tertulian, the church historian on the 2nd century said, and I quote "When God shortens your life, He shortens your pain, when He lengthens your life, He prolongs your suffering." At 80 I believe that my time in this life is almost off and therefore starting today, I will utilize the remainder of my time for the next life. In the remaining days of my life, I will dedicate all my time, efforts and resources for the service of God - to help the less fortunate, particularly the poor and the aged.

This may be my valedictory. Let me therefore thank with eternal gratitude those who were associated with me - who gave me their full and unfaltering support in all past political exercises and staying with me in all those trying years. To my critics, to my political adversaries and those who in one way or another differed with me, I wish to assure them that I never harbor any rancor or hatred against them. I am a sincere believer in the reality of eternity and within my limitations adhered and practice the religious and moral teachings of our Lord Jesus. So let it be said that I have forgotten and forgiven all those who maligned me or attacked me in words or in deeds. For those whom I have maligned, maltreated in words or in deeds; for those against whom I have committed faults; indiscretion or mistakes; intentional or unintentional due to my shortcomings and human frailties, I ask for their mercy and forgiveness. St. Katherine of Sienna, the patron saint of Rome and all Italy said: "Justice untempered with mercy is more unjust than injustice."

May God bless our beloved Philippines - the country we all love so much.

PHILIPPINES

FREE FOREIGN EXCHANGE MARKET, STABILITY NOTED

Manila BULLETIN TODAY in English 8 Mar 86 p 15

[Text]

An entirely free foreign exchange market has emerged in the banking system since the new administration took over the reins of government and the peso-dollar rate quoted during a particular day since then reflected the true international value of the peso in the market, Chester Babst, president of Rizal Commercial Banking Corp., disclosed yesterday.

At the same time, he stressed that the new government, by virtue of the confidence it has generated in the business community, has succeeded in licking speculation on the exchange rate and on interest rates.

This has contributed, he added, to the new-found stability in both the exchange market and the money market as reflected in the continuing appreciation of the value of the peso and the decline in interest rates both for deposits and for

treasury and CB bills.

Babst said that the foremost concern of both the banking community and the monetary authorities now is to maintain stability in both the exchange and interest rates.

By stability, Babst meant no violent movements, either up or down, in the exchange and interest rates.

Before the advent of the new government, the Central Bank through the government-owned commercial banks was believed to be taking an indirect hand to depress the exchange rate at the end of the trading day by means of a sale or buy order done by government banks.

Weeks before and immediately after the snap presidential polls last Feb. 7, speculation against the peso-dollar rate mounted due to the political and social tensions that were building up then. This pushed the peso-

dollar rate to as high as P23 to a dollar and interest rates, influenced by the rate quoted by the CB on its bills and other government securities, also soared to a high 32 percent.

Babst said that the decline in the peso-dollar rate the last few days was due to the dying down of the speculative element, the "long" position of commercial banks in dollars, and the confidence generated in the business community by the new government.

He reported that letters of credit for imports of raw materials are now building up as compared to the L/Cs opened before the elections which were mostly for finished products.

Smuggling activities have also slowed down substantially, discouraged by the pronouncements of the new administration that all illegal activities will be dealt with severely.

PHILIPPINES

LIFE OF MANILA GARBAGE DUMP RESIDENTS PROFILED

Sydney THE SYDNEY MORNING HERALD in English 15 Feb 86 p 19

[Article by Cameron Forbes: "What Life Is Like on Top of Smoking Mountain"]

[Text] MANILA, Thursday: The foul earth is on fire, giving off acrid smoke and clouds of flies.

But there is treasure here. Already Carlos Ballero has found a blue, right-foot thong, a shampoo bottle and a hospital drip with its tubing. He lives in Barrio Magdaragat — the village of the fishermen — which climbs up the flanks of what Filipinos call the Smoking Mountain.

Here, face muffled and wearing old gumboots, Carlos walks through the haze, raking rubbish with a long hook. When his cane basket is full he will sell his catch to a middle-man who will then sell it for reprocessing.

Smoking Mountain is Manila's rubbish dump. In 30 years it has grown six stories high, feeding on the refuse of Manila's millions.

Barrio Magdaragat has grown with it, built out of tin and plastic and old canvas signs ("At third floor, Xmas sale").

Five thousand people live there, working Smoking Mountain 24 hours a day, swarming, these men, women and children, over each load from the dump trucks.

It is a scene from Apocalypse Then.

Many are like Carlos Ballero, coming from the depressed provinces, looking for work in Manila. He has left behind a wife and two children. For six years he has lived in the barrio. Making sometimes 15 pesos (\$1) a day and sending money back.

Then there is always the chance of the jackpot. It happens sometimes, says Domingo Balgarat, timekeeper for the fleet of 22 bulldozers which smooth the top of Smoking Mountain after the people have picked it over.

"Sometimes they get money. Some-

times they get jewellery."

Perhaps rich rubbish comes here from the walled and guarded enclaves of the wealthy and the expatriates, like Forbes Park.

Some of the people were born here, like Eileen Dellacruz. Her four children walk down the mountain to school but spend their spare time on top of it.

Some come on missions. Tony Senora, a convert from Catholicism, is pastor of the Co-workers Baptist Church, a tiny building which merges in well with the squalor. He has lived there for 11 years, coming from the pretty island of Samar, doing God's will.

And God is good. Barrio Magdaragat is built on the western slope of Smoking Mountain, with a nice view of the ocean. The constant breeze from the sea blows the smoke away from the barrio and over the more substantial houses inland.

People on the mountain give the Aquino "L" sign. "But they are tired from politics," Tony Senora says. "There were so many promises that weren't kept."

There is a vitality about the people however. Everybody smiles and those I talked to do not speak of leaving. Smoking Mountain is their life and livelihood, providing them with shelter and sustenance. Many know nothing else.

Along Tambalan Alley, the rutted main road which leads from the refuse-strewn water to the peak of Smoking Mountain, there is a sign which advertises "Valentine's Dance Party for 1986; Music by Sound System; Ladies Free; Refreshment".

Eileen Dellacruz says it will be a great party. I believe her.

/12851
CSO: 4200/801

PHILIPPINES

MITRA ON MOVES TO MAKE FARM LOANS ACCESSIBLE

Manila BULLETIN TODAY in English 8 Mar 86 p 8

[Article by Fred M. Lobo]

[Text]

The slow extension of agricultural loans has been traced as the stumbling block to the country's agricultural development and economic progress.

This was noted by the Ministry of Agriculture and Food (MAF) revealing that measures have been made to check this problem.

An assessment of the problem showed that agricultural loans were either inaccessible to small farmers, could not be easily availed of, or did not gain the all-out support of the banking sector because of cumbersome requirements.

Taking note of the problem, Agriculture Minister Ramon Mitra said that the measures will improve credit extension system of existing loan programs and the tapping of new credit sources to expand lending coverage for both big and small agricultural ventures.

As an initial move, Mitra said that a consultative group formed this week will devise ways to maximize the utilization of the \$130 million Agricultural Loan Fund (ALF) which was found to be largely "inaccessible" to farmers.

The consultative group headed by Deputy Minister Carlos G. Dominguez and composed of prominent figures from the banking sector, will discuss problems with various concerned sectors and propose to

the Central Bank appropriate changes in lending policies.

Among the other problems to be tackled by the group he said were the agricultural and agrarian (agri-agra) credit, subsidized credit and the government credit program's loan delivery system. Dominguez urged the Central Bank to seek meaningful consultation with the banking sector which has expressed willingness in developing various loan packages to make them more relevant to farmers' needs.

He said accessibility to funding would be vital in the plan to give new strength to the new administration's program to spur agricultural development.

The consultative group that met yesterday was composed of Roberto Benares, United Coconut Planters Bank, Albert Pascual, Bank of the Philippine Islands and Joey Bermudez of the Philippine Commercial and International Bank.

Dominguez said however he would invite representatives from the rural banking sector, private development banks and other institutions involved in agricultural financing. Without the cooperation of all sectors concerned he said, the new program cannot succeed.

/13104
CSO: 4200/814

PHILIPPINES

ELIZALDE EMERGES AS 'SUGAR CZAR'; PRICES INCH UP

Manila BULLETIN TODAY in English 7 Mar 86 p 13

[Text]

Businessman Fred Elizalde is emerging as the new sugar "czar" even as the world sugar market is acting up and prices have slightly improved in recent weeks, making prospects for the domestic industry a little bit brighter.

Industry sources said yesterday prevailing world sugar prices have inched up to about seven US cents per pound from under five US cents per pound sometime last year.

Analysts believe the price would further move up to about nine US cents per pound in a few weeks.

The price improvement is expected to revitalize the sugar industry which has been depressed during the past three years.

As a positive sign, sugar industry officials have announced an additional P100 per picul will be paid by the Philippine Sugar Marketing

Corp. on export sugar produced between January and early February.

Sugar producers have been receiving P300 per picul on their "A" quedan sugar which is purely for export.

The additional liquidation price of P100 is based on the F.O.B. price of the exportation to the US after the initial liquidation of P300 per picul and the pre-export local expenses. This is to be paid at the end of each calendar quarter.

The Philippine Sugar Commission, the industry's regulating agency now headed by Fred Elizalde who was appointed by President Aquino "overseer" of the agency on Feb. 27, is in the midst of reviewing or implementing policies to govern the industry.

A task force was formed last week by Elizalde to clear up two basic issues confronting the industry.

PHILIPPINES

SUGAR PRICE HIKE ANNOUNCED

Manila BULLETIN TODAY in English 6 Mar 86 p 11

[Text]

BACOLOD, March 5 (Reuter) — The government will raise the producer price for domestic sugar to P400 a picul from 300 starting March 23, Fred Elizalde, officer-in-charge of the policy-making Philippine Sugar Commission (Philsucom), said.

The P300 per picul price (64 kilos) was set in June, 1984 by the National Sugar Trading Corp. which was phased out last year. Speaking before 250 sugar planters and millers, Elizalde said he has been asked by President Corazon Aquino to consult planters and millers on industry policies.

The government will set up a 21-member sugar council composed of representatives of sugar districts across the country to advise on certain issues, Elizalde said.

It was not clear whether the council will function independently of Philsucom, which he described as a "large and expensive

bureaucracy."

Philsucom, formed in 1977, could be reduced in size or be made a unit under an existing government ministry.

Elizalde, who heads the Philippine Sugar Marketing Corp. (Philsucom) said a new Philsucom chairman has not been appointed and that he has been named officer-in-charge.

Philsucom was headed by Roberto Benedicto, a staunch supporter and close associate of deposed President Ferdinand Marcos.

Elizalde said independent auditors have been asked to make an inventory of sugar stocks in warehouses and reconcile these with available records.

Latest reports from Philsucom show that sugar production in the four months of the 1985/86 crop year starting September fell to 360,000 tons from 420,000 tons in the previous season. (Reuter)

PHILIPPINES

LIVESTOCK INDUSTRY CONCERNED OVER FEED SHORTAGE, TRANSITION

Manila BULLETIN TODAY in English 3 Mar 86 p 13

[Text]

The livestock industry is apprehensive of a possible feed-corn shortage within the next few months following reports of insufficient local production.

Industry sources told PNA there was a general anxiety over the hiatus that may result from the change in government administration which could prevent the arrival of needed imports to supply needs of the industry.

Likewise, they said the industry was in the dark about existing inventories of feedcorn, which takes up over 60 to 70 percent of feed ingredients.

Reports reaching the industry also indicated that Ministry of Agriculture and Food (MAF) projections of sufficient supply from local

farms during the February-to-March harvest did not materialize.

Livestock raisers and feedmillers early this year were prevented from importing corn to protect local corn producers in the eventuality of a good harvest against the influx of cheap corn from the world market.

The MAF, in its desire to encourage corn production, had decided on a no-corn import policy instead of fostering wider adoption of corn substitutes such as cassava.

However, although there were plans to reduce the cassava tariff from 50 to 20 percent to allow the livestock industry to import substitute ingredients at lower prices, no final decision on has so far been reached.

"We do not know of the current inventories of feed ingredients and we are afraid that this might disrupt our production schedules which might force many of us to reduce production," an industry source said.

Dressed poultry prices were reported to have come down from the record high of P42 during the post-Christmas season to the current P38 per kilo.

High prices, which resulted from the low supply of chicken following big demand during Yuletide, are expected to entice more producers to increase production, thus increasing further the demand for feed ingredients.

/13104
CSO: 4200/814

31 March 1986

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

SEA BIOLOGY SYMPOSIUM--Hanoi, 14 Mar (VNA)--The third Vietnamese-Soviet symposium on sea biology has been held in Nha Trang City of the coastal province of Phu Khanh. The symposium, jointly sponsored by the Vietnam Institute of Oceanology and the Soviet Far East Institute of Sea Biology, was attended by leading members of the sponsor institutes and hundreds of Vietnamese and Soviet scientists concerned. Fourteen reports were made at the symposium dealing with a program of cooperation for bilateral research on sea biology. The participants shared the view that the achievements obtained so far in carrying out the joint Vietnamese-Soviet cooperation program on studying sea biology, had considerably contributed to the scientific and economic development in Vietnam. For their part, the Vietnamese scientists expressed their gratitude to the Soviet party, government and people, and especially the scientists, for their wholehearted assistance to Vietnam in studying and exploiting sea biology resources. [Text] [Hanoi VNA in English 1502 GMT 14 Mar 86] /9604

DEFENSE MINISTER GREETES MONGOLIAN COUNTERPART--Hanoi, 16 Mar (VNA)--Defence Minister Gen Van Tien Dung has extended greetings to his Mongolian counterpart, Sr Lt Gen Jamsrangiyon Yondon on the 65th Mongolian Army Day (18 March). The message praises the Mongolian People's Army as the new-type revolutionary army, as trustworthy support of the Mongolian people in safeguarding their revolutionary gains. It says: "At present the Mongolian People's Army has been rapidly developed in all fields, constantly increasing its combat strength, firmly safeguarding the Mongolian people's socialist construction and contributing to the defence of peace and security in Asia and the rest of the world." The message notes with joy at the constant consolidation and development of the militant solidarity and the fraternal cooperation between the two armies and two peoples. It expresses sincere thanks to the Mongolian Army and people for their valuable support and assistance to the Vietnamese people and army in their past struggle for national independence as well as their present efforts in socialist construction and defence. The message wishes the Mongolian People's Army still greater successes in consolidating and increasing its combat capability and splendidly carrying out all tasks in anticipation of the coming 19th Congress of the Mongolian People's Revolutionary Party. [Text] [Hanoi VNA in English 1512 GMT 16 Mar 86] /9604

31 March 1986

POLAND'S KOZIOL RECEIVES SRV ENVOY--Hanoi, 17 Mar (VNA)--Deputy Prime Minister Jozef Koziol of Poland has received Vietnamese Ambassador Nguyen Trong Thuat, in Warsaw, reports PAP. The two discussed questions on the further development of economic cooperation between Poland and Vietnam in connection with the upcoming 10th session of the Polish-Vietnamese Commission for Economic and Scientific-Technological Cooperation. [Text] [Hanoi VNA in English 0711 GMT 17 Mar 86] /9604

CSO: 4200/812

31 March 1986

ECONOMIC PLANNING, TRADE AND FINANCE

HO CHI MINH CITY CPV COMMITTEE DISCUSSES 1986 PLAN

Hanoi NHAN DAN in Vietnamese 23 Jan 86 p 1

/Article: "Ho Chi Minh City in 1986 Vigorously Renovates Management Structure, Fosters Active Role of Basic Installations in Production and Business, Improves Distribution, Circulation, and Cadre Organization"

/Text/ In mid-January 1986, the Ho Chi Minh City CPV committee met to study the resolution of the Ninth Plenum of the Central Committee, review the implementation of the 1986 economic and social plan and discuss the city's 1986 plan.

The meeting stressed that it falls to the municipal party organization to intensively lead and implement the campaign to renovate the managerial structure, raise product quality, lower production costs, properly solve price and wage problems, and improve distribution, circulation, and cadre organization.

The municipal party organization should strive to accelerate industrial and small industry and handicraft production, with a focus on consumer, industrially processed, and export goods. It should ameliorate distribution formulas, strengthen market management, help basic installations take a dominant role in their own production and business activities, conduct indepth investments and exploitation, and strive to raise labor output and product quality toward lowering manufacturing costs. It should also carry out a wide array of harmonious and flexible measures to step up production capabilities, ensure thriftiness, rationally rearrange labor, apply technical advances to production, rapidly reduce intermediaries and irrational and illegal expenditures and speedily multiply profitability with a view to diminishing manufacturing costs and accumulating capital necessary for reproduction.

The municipal party organization should handle prices through flexible and correct measures to avoid production and circulation bottlenecks and, at the same time, should struggle to control prices and the marketplace and against attempts to speculate, smuggle, disrupt the market, and undermine the economy.

It should go out of its way to renovate the planning pattern by starting that process right from the grassroots level. This is the first condition enabling basic installations to play an active role in production and business.

At a time when economic life is fraught with complexities, the municipal party organization should strengthen political security and social order; help cadres, party members, and the people clearly grasp the situation; mobilize their socialist patriotism and stimulate them to band together with party and administration officials to strive to remove difficulties and maintain their trust in the new regime and party leadership, thus defeating all enemy sabotage plots and activities.

To successfully implement the 1986 economic and social tasks and renovate the managerial structure and to salute ongoing party congresses at various levels, all cadres and party members must conduct strict self-criticism and criticism. The municipal party organization must correctly assign cadres, especially key cadres in sectors and at various levels, provide elementary and advanced training on managerial renovation to cadres, mostly those engaged in management, and urgently streamline the entire apparatus, thus making the party and administration machine really effective.

9213/12228

CSO: 4209/309

ECONOMIC PLANNING, TRADE, AND FINANCE

ENTERPRISE ACCESS TO FINANCIAL AUTONOMY FOSTERED

Hanoi NHAN DAN in Vietnamese 19 Dec 85 p 2

[Article: "Foster Active Role of Enterprises--Their Right to Financial Autonomy"]

[Text] Financial autonomy is a major component of the right of state industrial enterprises (referred to below as enterprises) to control their production and business. One of the main goals and requirements of the current effort to improve our nation's economic management is to achieve enterprise financial autonomy. The resolution of the Eighth Plenum of the CPV Central Committee (Session V) points out that "financial autonomy of economic and technical sectors, localities and basic units should be established simultaneously with planning and management structural changes."

It is essential to grant financial autonomy to enterprises, as it creates conditions for them to actively raise and effectively use capital; meet production and business requirements; conduct economic accounting, compute costs, compare profits with losses and determine economic efficiency; set economic levers to work; foster a system of material bonuses and penalties for workers and civil servants, and establish economic and financial ties with budgetary organs and related economic organizations.

According to Decision 156-HDBT of the Council of Ministers on improving state industry management, enterprise financial autonomy should materialize in the following key areas:

First, enterprises may, on their own initiatives, acquire, multiply and effectively use their own capital. The latter is composed of fixed and liquid assets coming from various sources--budget appropriations or other current sources of revenue; borrowed assets, including foreign exchange; funds designed to encourage production growth, and capital depreciation allowances. The right to use foreign exchange is different from the former financial system of "the state footing the entire bill"--a system laced with bureaucratic centralism. According to current regulations, enterprises may handle their own assets at will--but in the most effective way possible--to meet production and business requirements and may retain leftover funds for use the following year, rather than returning them to the treasury.

Second, enterprises are urged to conduct economic accounting, which is fundamentally and chiefly aimed at computing exact and complete manufacturing costs, taking into account economic and technical standards previously approved by superior echelons or set by the enterprises themselves, and state policies and procedures on economic, financial, and price management; and at making economic analyses to assess production and business efficiency in light of production expenses and manufacturing costs, so as to promote sales, recovering all disbursements, fulfilling tax obligations, and making a profit in the process.

Third, implementing regulations on profit norms and distribution of state profit, enterprises are required to deliver part of their profit to the treasury, but are allowed to use part of the balance to set up various funds--a fund to encourage production growth, a welfare fund and a fund for rewards. Enterprises may channel these funds to in-depth investment to improve industrial techniques, reinforce and homogenize equipment, ameliorate labor conditions, expand the welfare, cultural, and educational network, and organize a collective lifestyle for workers and civil servants in order to raise output, quality, and production and business efficiency.

Fourth, enterprises are called on to discharge other economic and financial duties--tax payments, budget allocations, deposits, credit loans, settlement of accounts with banks, capital loans, debt payments, and economic association with other economic units and organizations inside and outside the country (if the state permits).

The above regulations show that the right to financial autonomy has been affirmed more clearly and expanded further, creating more favorable conditions for enterprises to engage in production and business.

Nevertheless, implementation of these state regulations still lacks timely, satisfactory, and appropriate guidance due to poor compliance of responsible organs. Enterprises are still "constrained" in their effort to raise and utilize capital to meet production and business requirements; financial and banking organs have not adjusted their activities to the new managerial structure, still embracing complex procedures at the expense of the allocating, borrowing, depositing, and settling process; and price control agencies have set prices tardily and unrealistically, causing product unsalability and affecting the pace of capital turnover. Enterprises still pay lip service to economic accounting, miscalculating manufacturing costs in which illegal and illegitimate expenses are factored, masquerading losses as gains--a fairly widespread practice--and failing to strictly comply with state regulations on management and utilization of assets and cash.

To foster enterprise financial autonomy, we should fully grasp the resolution of the Eight Plenum of the CPV Central Committee on "eliminating the system of state subsidies and bureaucratic centralism and properly engaging in democratic centralism, economic accounting, and socialist business." The state should devise more suitable policies on credit allocations (including foreign exchange), profit norms and distribution of profit, taxation, and delegation of pricing authority to enterprises.

State agencies should reexamine, reinforce and modify directives aimed at guiding implementation of Decision 156-HDBT on planning, credit, banking, labor, wages, prices, finances, economic accounting, and statistics in industry; at the same time, they should ameliorate their performances to best support enterprise activities.

Enterprises should make all workers and civil servants thoroughly understand the resolutions, policies, and procedures of the CPV Central Committee, the state, and superior management organs, provide advanced professional training to managerial cadres, and strictly enforce party and state regulations on production and business.

9213/12766

CSO: 4209/306

DECENTRALIZATION OF MANAGEMENT TO DISTRICT LEVEL IN BEN TRE

Hanoi NHAN DAN in Vietnamese 13 Dec 85 p 2

[Article by Le Minh Dao, chairman of the Ben Tre Provincial People's Committee: "Overall Decentralization of Management to the District Level is Creating New Conditions, Capabilities and Factors; Provinces 'Subsidize' Less, Districts 'Request' Less; Three Types of Funds in Districts Start to Take Shape"]

[Text] The resolution of the Party Central Committee's eighth plenum has clearly indicated the overall requirement, objectives, and substance of the effort to build districts and strengthen the district level. In the process of carrying out these tasks and objectives, Ben Tre Province is deeply concerned with developing comprehensive district projects which are closely connected to overall decentralization of management to the district level.

We recognize that the districts' comprehensive projects are for the purpose of defining the direction and goal of socioeconomic development on the district scale in accordance with the agriculture-industry and the agriculture-pisciculture-forestry-industry economic structure; at the same time, for overall decentralization of management to the district level so it truly abolishes the bureaucratic centralism and state subsidy management mechanism, brings the collective ownership role into full play, implements the democratic centralism-economic accounting-socialist business management mechanism, and transforms the motivating force of comprehensive projects and socioeconomic plans from possibility to reality and fruition.

In our province, the process of comprehensive district projects is also the process of decentralizing overall management to the district level. When the comprehensive socioeconomic projects to be completed by the districts were approved by the province at end of 1984, was also when decentralization of management and assignment of production installations to the district level had been basically concluded. The beginning of 1985, when we started to implement comprehensive district projects and socioeconomic development plans on the district scale, was also when the district level clearly defined responsibilities and authority, clarified obligations and interests, and directly provided

management and operational guidance in accordance with the stipulations of decentralization and assignment. Thanks to this, new conditions, capabilities and factors were created for the district level to organize and satisfactorily carry out the 1985 socioeconomic plan.

Decentralization of management to the district level is under the centralized guidance of the standing committee of the provincial party committee and the standing committee of the provincial people's committee in accordance with guidelines for overall management decentralization and uniform assignment of installations; in accordance with positive and thorough yet firm and effective precepts. It is conducted in accordance with step-by-step plans which extend from the provincial installation-sector through the district level and have been tested in the two districts of Giong Trom and Ba Tri, gaining experience for gradual expansion. Though management decentralization and installation assignment have been resolutely and uniformly carried out, at the same time there have been difficulties and complications. Nevertheless, thanks to this, decentralization of management has been carried out systematically and effectively.

Because the decentralization period remains brief, it is impossible to fully evaluate the results and effect of decentralizing management to the district level. There are initial indications, however, that the pace of socioeconomic development on the district scale is fairly quick, comprehensive and uniform, especially in the fields of production, circulation and distribution, and socialist transformation.

Decentralization of management is making it possible to implement planning efforts. Since 1985, the planning of the district sector and of the basic economic unit has been formulated based on the comprehensive projects and, from approved district comprehensive projects, the province has given considerable attention to giving projects to basic economic units and developing them from the bottom up so they have a better foundation and are closer to reality. Formulation of plans from the top "down" has diminished. Norms and measures are tied to each other. Production-processing-circulation/distribution plans are comprehensive and balanced. In particular, planning efforts are tied to reform, and reform is tied to organization and rearrangement of production from the basic level and on the district scale. Economic guidelines and production norms and tasks tied to scientific and technical use, and the investment of material and the material base on a balanced basis according to the four available sources are the outstanding feature after decentralization of management to the district level and implementation of planning on the district scale. Throughout the process of implementing the Central Committee's Resolution 7, the effort to build districts has been coordinated closely and carried out simultaneously with the effort to build viable, comprehensive party organizations on the district scale and at the grassroots level. Firmly maintain the

two previous strong districts, raise the five districts and cities from deficient to good, and double the strength of basic party organization units. The capability of party committee echelons and people's committees is being strengthened. This has created uniform coordination between the districts and upper level sectors from which the combined strength of both the basic level and the sectors is used.

Production tasks and norms for grain, food, coconuts, sugarcane, marine products, export, and industrial, small industry and handicrafts development, especially the processing trade, have developed relatively fast compared with 1983 when decentralization was neither comprehensive nor comprehensively planned. Procurement and mobilization norms increased by half, with some norms doubling compared with pre-decentralization. In 1984, when decentralization began, only 30 million coconuts were procured. During the first 10 months of 1985, however, 70 million were procured and mobilized, with 80 million possible. In previous years, only 7,000 to 8,000 tons of coconut meat were processed at production installations and the district level; in 1985, 17,800 tons were processed. When there was no decentralization, only 100 to 150 tons of crawfish were raised, procured and mobilized each year in garden ditches; in 1985, four districts (Giong Trom, Mo Cay, Cho Lach, and Chau Thanh) alone mobilized over 500 tons of crawfish for export, etc.

The process of decentralizing management is also the process of forming district level corporations. In only a short period of time, district level corporations have quickly expanded production, business and the scale of operations, and are involved in guidance and investment to expand production in order to obtain products. They are embarking on economic accounting-socialist business and are directly implementing plans for joint production ventures and economic cooperative associations. The Chau Thanh and Giong Trom trade sector's volume of business, from several hundred million dong in 1984, could reach 1 to 1.6 billion dong (old currency) in 1985. The Ben Tre City Grain Corporation has arranged to obtain almost 1,000 tons of grain to balance itself and maintain prices in its jurisdiction. The Cho Lach Export Corporation, from the point of pursuing commercial ventures and business volume [one word indistinct] to obtain price differences and a very low percentage of foreign currency, is now involved in guidance functions, investing in over 300 hectares of bananas for export, and is preparing to develop a joint banana processing venture for export purposes with an output of 300 tons annually and making arrangements to obtain export items district-wide. The Binh Dai Marine Products Corporation has invested in 39 collectives which are raising over 1,000 hectares of shrimp. The Giong Trom and Mo Cay Coconut Corporation has tripled its procurement and mobilization, and is guiding and organizing preliminary processing of over 10,000 tons of coconut meat in 1985. The Binh Dai Material Corporation has expanded its supply business and is tapping over 40 percent of the value of material products to support production and effectively develop the key projects of

the district. Virtually all the business corporations have made profits. In the first 10 months of 1985, a minimum of 4 to 5 million dong has been tendered to the budget; the average is 8 to 10 million dong, with some corporations tendering over 20 million dong (old currency).

The role of district-level corporations is coming to the fore and having a positive impact on guiding and investing in production, guiding organization of processing, organizing circulation-distribution district-wide, implementing plans for joint production ventures and economic associations, and making a positive contribution to implementing planning and effectively tapping available sources for self-balance. The Chau Thanh Consolidated Trade Corporation is making arrangements to implement plans for joint ventures and associations by means of local items and farm products the province has permitted to be delivered to the district, including many types of supplies and staple commodities, almost 200 tons of iron and steel, over 500 tons of cement, over 250 tons of urea, nearly a half a million meters of cloth, 100 tons of monosodium glutamate, and plows, etc.

Decentralization of management by turning over district projects to basic level units (village enterprises, collectives) and altering planning efforts is truly becoming the motivating force in the process of socialist economic development on the district scale and is ensuring that the district level carries out its ownership right. The economic potential and strength from the basic level and on the district scale are being actively taken advantage of. Many of the 1985 socioeconomic plan norms are being realized relatively satisfactorily by the districts and primary level. Planning efforts are being started from projects, are progressing from the exploitation of natural resources and the economic potential and strength at the primary level and on the district scale and are being balanced through available sources. In the first 10 months of 1985, districts and cities have obtained, exchanged and delivered nearly 1,000 tons of iron and steel, nearly 3,000 tons of cement, more than 2,000 tons of urea, over 1,000 cubic meters of wood, nearly 3 million meters of cloth, over 200 tons of monosodium glutamate, a volume of gasoline, oil, kerosene, staple commodities which are making an important contribution to self-balance and promoting satisfactory fulfillment of agricultural, industrial, capital construction, communications and transportation, circulation and distribution, culture-public health-education, and security-national defense plans on the district scale. For almost 2 years now, the province has had to do less "subsidizing," the districts have done less "asking" and have not "waited" for the province, and the province almost no longer "coerces districts." The budget for districts is being expanded through investment in production to step up distribution and circulation, joint ventures and economic associations, and export by exploiting the economic potential at the primary level and on the district scale. Many districts have balanced most of the requirements on their own and are effectively overcoming many difficulties which they used to "buck up" to

the province in previous years. This includes matters the province could not resolve or resolved ineffectively and not as promptly as the district. The material conditions and capital of the district are beginning to accumulate from within the economy of the district itself. Three types of district funds -- the material fund, the goods fund, and the grain fund -- have been formed with a volume and value increasing daily.

The district economy is in a growth trend and is beginning to get involved in substantive planning, which is beginning to bring results. In just 2 to 3 years we have truly gotten involved in building districts according to the agriculture-industry and agriculture-pisciculture-industry economic structure. This structure has started to take shape and is developing the effect that has made and is making it possible to form the industry-agriculture economic structure of the province. District agriculture and industry are making headway. District state industry consists of 87 enterprises, including 55 industrial processing ones associated with certain raw material regions. The value of state industrial output increased from 76 million dong (1984) to 120 million dong in new currency (1985). The district industrial structure increased from 14 percent (1983) to 24 percent (1985).

The result of the effort to develop projects connected closely to decentralization of management, assignment of tasks to the primary level, and changes in planning has been to stimulate the process of socioeconomic growth on the district scale in Ben Tre Province. But these results still have limitations.

From the initial results and experiences, localities and units are concentrating on overcoming detriments and difficulties, and are enhancing the quality of planning. Uniformly use measures for tapping available sources to a greater extent, especially on-the-spot capabilities in land-labor-trades and export, in order to boost the quality of the business structure and network, and rectify faults in management and a number of district-level corporations which are still performing perfunctorily, are ineffective and are unsatisfactory and inexperienced in economic accounting-socialist business. Train ranks of cadres at the district level, in corporations, in primary level production units, in state-run businesses and collectives on the district plane to guarantee that requirements for guiding production and organizing business and economic accounting have the highest effect, overcome loopholes, omissions, etc., with a view toward developing and improving even more the effectiveness of decentralization of management in contributing to vigorously stimulating, from the primary level and on the district scale, satisfactory fulfillment of the 1986 plan and the 5-year plan (1986-1990). Build districts into comprehensively growing units with an agriculture-industry and agriculture-pisciculture-industry economic structure.

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31 March 1986

ECONOMIC PLANNING, TRADE, AND FINANCE

MERITS OF SMALL INDUSTRY, HANDICRAFT OCCUPATIONS OUTLINED

Hanoi NHAN DAN in Vietnamese 13 Dec 85 pp 1,4

[Editorial: "Redistribute Labor to the Small Industry and Handicraft Production Sector"]

[Text] During the first stage of the period of transition to socialism, we must bring collective ownership dynamics into full play so as to rationally use the most valuable asset and exploit the greatest economic potential -- labor and land -- to produce increasingly more goods and wealth for society. Our country presently has many people, few jobs and little capital, so our people must increasingly seek every means possible to arrange for every laborer to have employment, for every laborer to work, for all land to be put to use, and for all trades to be practiced. In conjunction with redistributing labor on the spot and on a nationwide scale in order to expand agriculture, forestry and coordinate the economy with national defense, we should allocate labor to the small industry and handicraft production sector in both the countryside and urban area. This is one of the extremely important directions for socioeconomic growth and an extremely urgent task as well.

Small industry and handicraft production holds an important and long-term position in the national economy. It meets the multifaceted consumer and production needs domestically and turns out a fairly large volume of export goods, after agricultural and marine products. Almost 50 percent of the value of industrial production generally speaking and more than 70 percent of the value of consumer goods industrial production are the product of the small industry and handicraft sector. Small industry and handicraft production does not demand extensive capital or equipment, and does not need many factories nor burdensome management organization to turn out many products. More than a few small industry and handicraft production installations are well-managed and effectively produce much more than a local state-operated factory. Now and in the years to come, the small industry and handicraft sector is producing and will produce goods for export, including the processed form for foreign countries or for continued development. It can thus attract many additional laborers. The number of laborers involved in small industry and handicraft

production and in processing goods for export in production installations and in families has risen to millions of people.

The growth of small industry and handicrafts and attraction of many laborers as mentioned above have made a very important contribution to carrying out a new redistribution in labor, increasing social labor productivity, attracting a large segment of unemployed into production, stabilizing life and building the new man. Subwards, wards, villages, and districts which are engaged in developing small industry and handicraft production have obtained good economic and social results and, from this, created many new jobs to continue to attract labor otherwise unoccupied.

The problem is to arrange and reorganize small industry and handicraft production, build a new management mechanism aimed toward attaining high productivity, quality and effectiveness and, especially, have correct policies on technical investment, material supply, prices, processing, taxes, etc. We should quickly abolish bureaucratic centralism and eliminate intermediaries who are not essential, cause trouble, repress, and restrict small industry and handicraft production units, and even appropriate a legitimate portion of their income (especially those involved in processing goods for export) by unreasonable fee collection processes or by a long system of control. We should overcome discrimination both economically and politically between the small industry and handicraft laborer and the state production installation laborer. The value of the laborer is in that he produces many things for society and contributes a great deal to building and defending the socialist fatherland, not that working in a state production installation is more honorable than working in a collective production installation.

Putting additional laborers into the small industry and handicraft sector is the guidance responsibility of the central government and the locality, but first of all it is the responsibility of each subward and village and each ward and district. It is their responsibility to successfully resolve the problem of assigning and redistributing labor, and ensuring employment for every laborer and that every laborer is employed in order to expand production, step up exports, guarantee and improve life, and contribute ever-increasing accumulations to the socialist industrialization of the country.

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31 March 1986

HEAVY INDUSTRY AND CONSTRUCTION

EVALUATIVE SURVEY OF MINERAL RESOURCES URGED

Hanoi NHAN DAN in Vietnamese 19 Dec 85 p 3

[Article by Pham Huy Tieu, Geology and Minerals Institute: "Survey, Exploit Multiform Local Minerals"]

[Text] Evaluative surveys of minerals are among the main duties of basic investigation and play a very important role in setting and implementing socio-economic goals of short- and long-term national and local plans.

Apart from a few areas with substantial ore deposits, nearly all our localities have minerals, which can be exploited on various scales. In recent years, spurred by their own socioeconomic development requirements, some localities have begun to pay attention to surveying, evaluating, and exploiting their mineral potential, clearly achieving initial economic results, as shown by Vinh Phu, Thanh Hoa, Nghe Tinh, Kien Giang, and Ha Son Binh. However, the movement has not speeded up and was fraught with snags. The localities were anxious to promptly turn their mineral potential into good account with their own means, creating new commodities and products to serve local economic growth and raise people's living standards.

With experience from years of assisting several localities, we present here a model in surveying, evaluating, and exploiting local minerals apt to make that task achieve high output, quality, and efficiency and to solve the above concern. That model is based on a small-scale "local mining project," in which "exploration goes along with exploitation," and various stages of the same cycle are linked together--geological survey; mineral technical assay; exploitation and processing; and utilization and consumption. These stages are interrelated--either bilateral or multilateral.

Fundamentally, they have a part in the uninterrupted practice of evaluating mineral resources from an economic-mineral point of view. A geological survey is aimed at quantifying and grading ore deposits, taking care to assess their industrial attributes through the appearance of new products. Then comes the technical assay stage, during which new products are turned out in large quantities and sent to utilization and consumption. When technical methods become firmly established through consumer acceptance, exploitation and processing will be conducted at the enterprise level.

Geological surveys are made necessary by local economic development and in accord with the development of the entire nation or neighboring provinces. On the basis of these requirements, we should determine very clearly the purposes, targets, contents and methods of mineral investigation and evaluation.

Finally, geological surveys are aimed at securing the capabilities of exploiting, processing, and utilizing minerals to serve local economic development according to plans.

Targeted for evaluative surveys are indispensable minerals existing in large quantities in the most convenient areas. In light of party and state socioeconomic development policies, national mineral resources and tangible local socioeconomic conditions, the list of minerals targeted for evaluation, exploitation, and utilization in the next 10 to 15 years should include:

--The group of minerals serving agriculture: raw materials for fertilizer and insecticides including apatite, phosphorite, organic limestone, peat, kaolin, pyrite, alkali-metal rocks, etc.

--The group of minerals serving capital construction: minerals used as non-baked natural building materials, including laterite oyster shell lime, pumice, sandstone, granite, marble, basalt, mountain rocks for home building, and clay. These minerals, which exist in abundant quantities in the localities, are not yet exploited and utilized, notwithstanding the huge need of the people and state organs and enterprises for building materials.

Minerals used as manmade building materials include limestone, dolomite, clay for tiles and bricks, pozzolana, etc. Since energy is required to turn these minerals into products, difficulties arise when large-scale production is involved. Thus, in coming years, we should accelerate production of nonbaked natural building materials.

--The group of minerals serving production of consumer and artistic handicraft goods: white clay and kaolin for porcelain and ceramic wares, tellurium, feldspar, natural coloring powders, enamel materials, and sand for glassware. Our potential in--as well as our need for--porcelain and ceramic raw materials is huge; hence, we should speed up survey, evaluation, and exploitation of these minerals.

--Other minerals: Depending on local mineral resources, we can choose additional targets for evaluation and exploitation, including coal, oilstone, mineral and hot-spring water, gold, lead, tin, silver, antimony, copper, iron, ilmenite, jade, and precious stones.

In their quest for an economic-mineral strategy, the localities should begin with and focus on these three groups of minerals. They are nonmetallic minerals; furthermore, they enjoy wide distribution, substantial reserves, and high quality, require simple exploitation and processing conditions and are in great and permanent demand, compatible with local economic and technical conditions (machinery, equipment, and capital) and economically efficient. In fact, to fulfill the three requirements of "productivity, quality, and efficiency," the evaluation process should encompass two stages.

In the first stage, we should conduct a rough evaluation to get an idea of the distribution, scope, quality, industrial exploitation and processing capabilities, and utilization of existing provincial and district minerals. This is designed to collect data necessary for setting socioeconomic goals of short- and long-term plans, directly helping with planned local economic zoning.

The first stage should culminate in making a "Map on Prospective Local Mineral Resources" on a scale from 1/200,000 to 1/100,000, along with an explanatory statement and a set of mineral samples and their products.

During the first stage, we must pay attention to the most promising minerals and mineral-rich areas, laying the groundwork for the second stage. An important criterion for assessment lies in measuring the capabilities of exploitation and industrial processing of minerals. That stage should be short and neat--about 2 or 3 years in length.

During the second stage, the economic potential of the most promising minerals and mineral-rich areas should be evaluated in depth to collect detailed information on the size of deposits, and the quality, industrial attributes, and exploitation conditions of minerals. That information helps develop an economic-technical dialectic, on the basis of which worksites or enterprises are established for mineral exploitation and processing. The method of "exploring while exploiting" is fully carried out during that stage, which will end up with a "Collection of Economic-Technical Dialectics on Mineral-Rich Sites and Mines," an "Industrial Geological Map" with scales from 1/25,000 to 1/10,000 and 1/2,000 and a display of products newly made from these minerals. Depending on local socioeconomic goals contained in the current 5-year plan, we can set priorities for evaluating those mineral-rich areas and minerals considered the most promising.

The time for evaluating a single mineral at a given mineral-rich site should be reduced--about 6 months to 1 year.

Evaluative surveys of local mineral resources are major endeavors requiring planning within the framework of national and local planning. Success relies on effective and practical support by central organs and on economic association with other sectors and localities. It is certain that if that effort is accelerated, within a short time, our national and local mineral assets will be exploited and fully utilized, actively contributing to speeding up the nation's economic development.

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HEAVY INDUSTRY AND CONSTRUCTION

MONG DUONG COAL MINE TAKES STEPS TO INCREASE PRODUCTION

Hanoi NHAN DAN in Vietnamese 21 Jan 86 p 1

/Article: "Mong Duong Coal Mine Reorganizes Production, Effectively Applies New Deep Mining Methods"/

/Text/ Mong Duong coal mine, a large-scale Soviet aid project, was put into commission in 1983. It is made up of vertical shafts going deep into the mine at 100 meters below sea level. Work conditions were difficult, with supplies and fuel often arriving late and in insufficient quantities, and with a grain and food belt around the mine yet to be completed. However, translating the resolutions of the sixth, seventh, eighth, and ninth plenums of the CPV Central Committee into deeds, Mong Duong cadres and workers have fulfilled norms. In recent days, the mine has set up 7 main worksites, assigned 827 persons to directly mining coal and more than 1,000 to hauling and repairing equipment and manning support facilities. In guiding production, mine officials have closely adhered to technical plans, assigning key cadres to production clusters, clearly delimiting their roles and duties, and promptly removing snags. To achieve direct and effective control, the mine has reduced intermediary links and has appointed three pit chiefs to take charge of the entire operation. It has gradually perfected product contracting on the basis of unit wages per ton of coal and has expanded the bonus system with a focus on payments in kind within stage authorization limits--essentially grain and food acquired through economic association. Using its own capital and raw materials, the mine has built houses and beds, purchased indispensable household items for advanced supply to pit workers, maintained the midshift meal routine and accelerated cultural and sport activities and public services.

The Mong Duong coal mine has paid special attention to technical improvements. The new PCO deep coal mining method, designed by Ninh Quang Thanh, MS (Mining Research and Design Institute), and put into practice at Mong Duong by Vuong Van Doc, has opened up new horizons. Contrary to the customary tray mining process, PCO calls for slicing each 60-meter-long coal lode into two equal parts of 30 meters and for drilling straight from the earth surface downward with a big 500-mm-diameter drill, which goes through the coal bed and cuts it, by way of a lateral rotary movement, into 7-meter-long sections. Air vents are created to allow miners to enter the pit to collect coal, which can be exploited manually, section after section, before the cavity is finally blown up by explosives--a process requiring no use of support beams. Currently, PCO

is the best extraction method on coal fields with a 45-degree slope since it reduces the number of support beams by one-half compared with the traditional method and increases output threefold, with 4 tons of coal per working day. Following successful testing, PCO was used throughout the mine. This, and other managerial measures, have helped Mong Duong overcome obstacles, in 1985 exceeding washed coal norms by 2.29 percent and those on preparation for extraction as measured by meters by 24.4 percent, thus paving the way for design output.

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HEALTH, EDUCATION AND WELFARE

BRIEFS

SCIENCE, TECHNOLOGY EXHIBITION—The chairman of the Council of Ministers has recently decided to hold the first national exhibition of scientific and technological achievements in May 1986 at the Van Ho Exhibition Center in Hanoi. This exhibition will be organized by the State Science and Technology Commission in coordination with sectors and localities to introduce typical results of scientific-technological research activities conducted in our country, particularly the activities carried out under key technological development programs undertaken by the state during the 1981-85 period and the outstanding research and application successes recorded by various sectors and localities in support of production and the people's lives. [Text] [Hanoi Domestic Service in Vietnamese 1430 GMT 14 Mar 86] /9604

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31 March 1986

POPULATION, CUSTOMS, AND CULTURE

BINH TRI THIEN SENDS 50,000 PERSONS TO NEW ECONOMIC ZONES

Hanoi NHAN DAN in Vietnamese 15 Jan 86 pp 1, 4

/Article: "Binh Tri Thien: Nearly 50,000 Persons Go to New Economic Zones"

/Text/ In 1985, Binh Tri Thien mobilized 8,910 households of 48,107 persons including 19,423 laborers, to go to new economic zones inside and outside the province, overfulfilling norms assigned by the central government by 23 and 24.1 percent, in terms of departees and laborers, respectively. Units with the highest number of departees were Huong Dien District, 7,300 persons (achieving 182.5 percent of plan); Ben Hai District, 7,100 persons (236.6 percent of plan) and Hue City, 4,410 persons (330 percent of plan).

The Binh Tri Thien campaign to send its people to new economic zones took on many forms--recruiting laborers for state farms and allowing them to bring their families along; collective departures (of entire cooperatives or production collectives) and individual departures (with families shouldering all expenses, receiving only transportation facilities from the state). Applying the "oil stain" experience, last year Binh Tri Thien opened only one additional new economic zone outside the province in Ea Hu (Dac Lac), sending most migrants instead to long-established NEZ's in Da Oai (Lam Dong), Krong Buc (Dac Lac) and Chu Ye (Gia Lai-Kontum) and to several Central Highland state farms. Last year, in addition to sending migrants to 14 NEZ's in hilly areas, the province embarked on a novel approach by mobilizing 3,407 households of 22,467 persons including 7,938 laborers from fishing villages located in swamp and coastal areas of Phu Loc, Huong Dien, and Huong Phy districts and Hue City, to resettle on dry land and make the most of their strength--catching fish and shrimp and growing laminaria for export purposes.

New economic zones in the province have built 24 water-conservancy projects, opened 4,424 hectares of new arable land, erected 14 collective welfare projects, including schools and public health stations, and excavated and built 342 km of interhamlet and intervillage roads.

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END